

COMMUNITY CHOICE AGGREGATION TASK FORCE



**REPORT TO THE
SUFFOLK COUNTY LEGISLATURE
December 2020**

Foreword

As this Report is being prepared, the world, our nation, and our community are confronted with the COVID-19 global pandemic. Our work, our schooling, our socializing have moved online, with increasing reliance on electrical power which, ultimately, will be an increasing part of household budgets. As society recovers, will we return to business as usual or continue with connecting over our electronic devices? Arundhati Roy recently wrote¹

“Historically, pandemics have forced humans to break with the past and imagine their world anew. This one is no different. It is a portal, a gateway between one world and the next. We can choose to walk through it, dragging the carcasses of our prejudice and hatred, our avarice, our data banks and dead ideas, our dead rivers and smoky skies behind us. Or we can walk through lightly, with little luggage, ready to imagine another world.”

Community Choice Aggregation, or CCA, has already been implemented in states across the nation including New York. CCA transforms energy supply, providing choice and control for a community of energy consumers. A CCA allows local leaders to source the power options needed by a community and then purchase power more competitively and with longer term stability. Local control of energy supply will allow local communities to better meet their individual needs.

In 2019, the Suffolk County Legislature created the CCA Task Force to explore the possibilities, challenges, and make recommendations for creating CCAs within the County. This Final Report is the work of the nine-member Task Force, plus guests and contributors, and is meant to serve as a guide for towns and villages in Suffolk County on how to create CCAs.

This Report includes the background of CCA and how it fits into New York’s “Reforming the Energy Vision.” The Report explains what a CCA is, what it entails, and how it works in New York State, with examples of municipalities on Long Island who have started the CCA process.

Long Island faces unique challenges to creating CCA’s because of geographic and electric transmission constraints, lack of competitive wholesale market activity, and the unique regulatory and market relationships among various stakeholders including state and federal regulatory agencies, the New York Independent System Operator, the Long Island Power Authority, or LIPA, and its sole operations services contractor, PSEG Long Island, and local power generation owners. Despite these challenges and bureaucratic hurdles, CCA is possible on Long Island, and in the towns and villages of Suffolk County. With leadership and collaboration, the opportunity for community choice and control may bring about a new model of sourcing a more affordable, desirable, and cleaner energy supply.

¹ Financial Times, April 3, 2020

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This Report is a product of the work of the Task Force following a comprehensive study of the issues presented and includes findings and recommendations regarding the feasibility of establishing CCA in Suffolk County, and an evaluation of the CCA establishment process. The CCA Final Report is hereby submitted to all members of the Suffolk County Legislature, the Clerk of the Suffolk County Legislature, and the Suffolk County Executive for review and consideration of appropriate action by the Suffolk County Legislature.

Additionally, the Report may be shared and used by municipalities within Suffolk County as towns and villages explore the option of CCA. While, under current rules, a county cannot act as an administrator, Suffolk County can provide services to assist towns and villages as they explore the best energy options for their local communities.

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Introduction

Through the Reforming the Energy Vision initiative (“REV”), and the recently adopted Climate Leadership and Community Protection Act (CLCPA), New York State leadership set clean energy and climate goals for a carbon neutral economy, mandating reduction in greenhouse gases by at least 85% by 2050, with interim targets of 40% reduction by 2030, 70% renewable electricity by 2030 and 100% zero-carbon electricity by 2040²

As a component of REV the New York State Public Service Commission (“PSC”) made Community Choice Aggregation (“CCA”) available to New York towns, cities and villages in New York State. When this Task Force began its work, because of the unique structure of energy delivery on Long Island, the Rules issued by the PSC regulating CCA did not yet apply to Long Island. On May 20, 2020 the LIPA Board of Trustees adopted a Tariff Amendment permitting CCA’s in the LIPA service area. While the LIPA decision to adopt a CCA tariff enables CCA on Long Island, certain procedural steps need to be taken to better define how DPS-LI and PSC will process a municipality’s CCA implementation plan. At the same time, with Suffolk County’s 1,000 miles of coastline, acres of farmlands and pine barrens, and diverse ecosystems, building an inventory of clean energy choices is necessary to protect the environment and mitigate the impacts of a changing climate. Potential new industries and jobs created will serve to promote economic development and attract businesses, while residents of Suffolk County who pay some of the highest energy rates in the nation, may benefit from more stable and potentially lower rates.

In order to assist the towns and villages of Suffolk County find a way to achieve CCA, the Suffolk County Legislature adopted Resolution 170-2019, establishing a nine-member Task Force which was directed to submit a written report for review, consideration and appropriate action, if necessary, by the Suffolk County Legislature, as a whole. The Task Force held four meetings since its creation.

² The CLCPA also includes specific targets for clean energy technology deployment on offshore wind, distributed solar, energy storage, and on-site energy savings, as well as commitments to climate justice and a just transition. More at <https://climate.ny.gov/>

Executive Summary

Energy costs are high on Long Island and are a significant and unpredictable portion of residential and business budgets. These expenses contribute to the high cost of living and the difficulties of doing business in Suffolk County. Added to these challenges are the increasing effects of the combustion of fossil fuels on our environment and the potential detrimental impacts of a changing climate. Suffolk County includes over 1,000 miles of coastline and is subject to the impacts of rising sea level, coastal erosion, and increasing extreme weather events. Alternative renewable and clean energy choices must become more available.

In 2019, as interest increased in creating CCA in Suffolk County, the County Legislature authorized the formation of a Task Force, sponsored and led by Legislator Bridget Fleming. Legislator Fleming's district includes the South Fork of Long Island where local towns experiencing impacts from a changing climate had already begun exploring CCA as an option to offer choices in renewable energy supply. This resulting CCA Task Force Final Report may serve as a guide for towns and villages in Suffolk County to explore CCA and potentially take the steps necessary to move toward a cleaner energy future. The nine member Task Force, with Legislator Fleming serving as the Chair, met four times over the course of one year. The meetings were also regularly attended by interested elected officials, individuals, and guests. Experts in energy from the private, public, and local government sectors including NYSEDA, LIPA, RELI, Good Energy, Joule Assets, Inc., Cameron Engineering, and Sustainable Westchester attended meetings and shared their expertise and vision for CCA on Long Island.

CCA offers communities the opportunity to control their energy supply, unlike the traditional model, where consumers depend on the energy companies for everything from energy supply and delivery to system maintenance and billing. While CCA is available for both electric and natural gas supply, this Report focuses primarily on electric supply. On Long Island, LIPA has authorized CCA and therefore local municipalities are now able to form CCAs and to negotiate power supply agreements.

The work of the Task Force confirmed that despite challenges, the creation of CCAs in Suffolk County can be achieved. It will require that a framework document, similar to the statewide PSC Framework Order be created, including an implementation plan, data protection, and local authorization. An important agreement to ensure single billing for customers so that one payment is made for all charges is also critical. It will also be necessary for more competitive Energy Service Companies (ESCOs) to be supported and encouraged to enter the Long Island retail market. Finally, and critically important, challenges to the creation of a competitive market stemming from the pricing structure currently provided in the LIPA Tariff which authorizes the formation of CCA's, must be addressed head on. Although the current pricing structure may not prevent communities from increasing their renewable energy supply and reducing carbon emissions under CCA, it will make it difficult if not impossible for CCA's to offer savings to ratepayers.

This Report concludes that Suffolk County could play a valuable role in coordinating and perhaps administering the aggregation of market power of multiple Suffolk County municipalities, as laid out in the DPS CCA Guidance Document³, which notes that “county governments may actively encourage and coordinate the municipalities within the county to form an inter- municipal CCA and even work to support that CCA in an administrative role.” Suffolk County Government could store CCA information to share with its towns and villages and, even further, could provide shared services through its SuffolkShare initiative. SuffolkShare is an online shared services initiative where local municipalities, school and fire districts and others can source, procure, and collaborate on purchasing. More information can be found at: <https://www.suffolkshare.com>.

Further recommended actions include assistance from New York State and the New York State Energy Research and Development Authority (“NYSERDA”) as they consider expanding technical and financial support to assist municipalities throughout the State to establish CCA.

The decision to form a CCA is made by local municipalities and communities who desire to offer the choice for clean energy and more stable, reliable pricing to consumers. Establishing a CCA can be a step in the overall energy efficiency strategy of a town or village and can include various clean energy opportunities such as electric vehicles, storage systems and community solar, to name a few. It is anticipated that, with outreach and education to local elected officials, community leaders, civic organizations, and advocates, this Report can serve as a guidebook to assist in a movement forward toward better energy choices and a cleaner energy future for Suffolk County.

³<https://www.google.com/url?q=https://www.nyserda.ny.gov/-/media/Files/Programs/Clean-Energy-Communities/CCA-Guidance-Document-DPS---August-2019.pdf&sa=D&ust=1601647749330000&usg=AFQjCNEuqoYTxUQ2VJCBab2dwQyyZG7-Bw>, page 3.

I. Community Choice Aggregation

A. What is Community Choice Aggregation (“CCA”)



Figure 1: Community Choice Aggregation. Image provided by National Renewable Energy Laboratory
<https://www.nrel.gov/docs/fy19osti/72195.pdf>

CCAs are local not-for-profit public programs that take on the decision-making role about sources of energy for electricity generation. The NYS Public Service Commission, on April 21, 2016, approved a “Motion to Enable Community Choice Aggregation”⁴. On May 20, 2020, LIPA authorized CCA in their service territory. Community Choice Aggregation (“CCA”) is an energy procurement strategy allowing local communities to choose their source of energy. It is the opportunity to locally control choosing a community’s energy supply. (NOTE: This model can also be used for natural gas supply.) By pooling, i.e. “aggregating”, local community electricity demand, CCAs are able to negotiate a fixed-rate energy supply with competitive suppliers and developers, rather than the traditional utility business model based on a single energy supplier.

In a CCA service territory, the incumbent utility continues to own and maintain the transmission and distribution infrastructure, metering, and billing services. CCAs become the default energy provider for the power mix.

This contrasts with the municipal utility model in that municipal utilities own and maintain the utility infrastructure. The similarity with CCA, however, is that the local municipality has control of the power supply source and the residents have direct input into the decision-making process. Municipal and cooperative utilities often are ahead of the curve in developing innovative energy projects. Since these utilities are directly accountable to their customers, they are able to be more responsive to the needs and desires of the residents and businesses they serve. Throughout New York State there are 47

⁴Order Authorizing Framework for Community Choice Aggregation Opt-Out Program
<https://www.nyserda.ny.gov/-/media/Files/Programs/Clean-Energy-Communities/Public-Service-Commission-CCA-Order.pdf>

municipal and 4 cooperative utilities. Most of these systems have been in existence for many years and have successfully operated their systems for the benefit of their residents and businesses. While the governing structures are somewhat different in each, at their core is the concept of local control, which CCA provides at least for the power supply side of the utility system.

CCAs allow communities, by lowering carbon emissions, to benefit from the new clean energy economy outlined in the State's REV and the State's goal to reform the retail energy market. CCAs are also able to contract for local programs. CCAs can demonstrate locally an awareness of the urgency of climate change challenges, offering energy consumers opportunities to respond to the often-asked question, "What Can I Do?". In addition to the potential of delivering lower and more stable monthly utility bills, CCAs can offer value-added services like energy efficiency programs and bulk purchase programs.

B. History of CCA

Westchester Pilot

In 2014, Sustainable Westchester, a not-for-profit organization of several municipalities in Westchester County, sought approval of a demonstration CCA program in the county. The NYS PSC instituted a CCA proceeding⁵ on December 15, 2014, and approved a CCA pilot project on February 26, 2015.⁶

The project was launched in May 2016, under the banner of Westchester Power with approximately 110,000 county residents and small businesses in Westchester municipalities in the program.⁷ See more information in the subsection Current New York CCA Programs, below.

NYS PSC [Framework Order](#)

Building on the success of the Westchester CCA pilot program, the PSC issued its April 21, 2016 CCA '[Framework Order](#)' which enabled statewide CCA programs. In the Order, the commission stated that CCA offers mass-market customers an opportunity to receive benefits that have not been readily available to them, writing that

"CCA programs can result in more attractive energy supply terms than can be obtained by individual customers through the bargaining power that aggregation provides, the expertise

⁵ Proceeding in Matter 14-M-0224:

<http://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=14-m-0224>

⁶ See PSC press release in Case 15020/14-M-0564 at

[http://www3.dps.ny.gov/pscweb/WebFileRoom.nsf/Web/C9DCDFF7232D6C4185257DF80063C456/\\$File/pr15020.pdf](http://www3.dps.ny.gov/pscweb/WebFileRoom.nsf/Web/C9DCDFF7232D6C4185257DF80063C456/$File/pr15020.pdf)

⁷ More at <https://westchesterpower.org/about/>

provided by municipal or consultant experts, and the competitive public process for choosing a supplier.”⁸

The Order also emphasized benefits beyond a more competitive energy supply, writing that:

“...more importantly, the CCA construct provides substantial positive opportunity for meaningful and effective local and community engagement on critical energy issues and the development of innovative programs, products, and services that promote and advance the achievement of the State’s energy goals.”⁹

NYSERDA Clean Energy Communities¹⁰

NYSERDA’s Clean Energy Communities (CEC) program is designed to help local governments implement clean energy actions, save energy costs, create jobs, and improve the environment. In addition to providing tools, resources, and technical assistance, the program recognizes and rewards leadership for the completion of clean energy projects.

Communities that complete four out of 10 [High Impact Actions](#) and meet all other eligibility requirements are designated by the State as a CEC and are eligible to apply for grants to fund additional clean energy projects at no cost to the local government. CEC Coordinators are available to help local leaders to develop and prioritize clean energy goals, access guidance resources such as templates for legislation, procurement, and contracts, and take advantage of available funding and technical assistance opportunities.

Establishing a CCA with a 100% renewable energy product mix will count as a High Impact Action, provided that the community submits a copy of:

- The adopted legislation authorizing the municipality's participation in an opt-out CCA program, and;
- An executed electric service agreement between the applying jurisdiction and an energy service company (ESCO) to supply electricity to participating customers on an opt-out basis that is a default 100% renewable clean energy product mix.¹¹

An energy service company (ESCO) is a business that may provide a broad range of energy solutions including designs and implementation of [energy savings](#) projects, [retrofitting](#), [energy conservation](#), energy infrastructure outsourcing, [power generation](#) and [energy supply](#), and risk management.

⁸ [Framework Order](#) pg. 2

⁹ [Framework Order](#) pg. 2

¹⁰ See NYSERDA CCA resources page <https://www.nyserda.ny.gov/All-Programs/Programs/Clean-Energy-Communities/Clean-Energy-Communities-Program-High-Impact-Action-Toolkits/Community-Choice-Aggregation>

¹¹ See <https://www.nyserda.ny.gov/All-Programs/Programs/Clean-Energy-Communities/Action-Items> (last accessed 4/6/2020)

New York Power Authority (NYPA)

In October of 2019, the New York Power Authority (NYPA) was authorized to offer lower cost bundled retail electricity supply to CCA administrators or to procure energy or related products to CCA municipalities or its residents. The provision in the budget bill states in § 4. (c):

“For the purpose of meeting the energy needs of any municipal corporation and its residents under a Community Choice Aggregation program approved by the Public Service Commission, the [New York Power] Authority is authorized to contract with any entity that has entered into a written agreement with such municipal corporation to administer a Community Choice Aggregation program or to procure energy or related products for such municipal corporation and/or its residents under the Community Choice Aggregation program.”¹²

An article in a Politico NY newsletter described the new NYPA powers as follows:

“NYPA gained new authority to serve... CCA, programs in the [state] budget enacted this year [2019] and plans to “offer local governments services that bundle the purchasing power of residents to seek lower cost electricity or more renewable options.” The article describes NYPA officials ... outlining “potential offerings — developing community solar projects, selling some of its hydropower, procuring renewable energy credits or market power — for communities”.¹³

CEAC Subgroup CCA Recommendations

An extensive [Report](#)¹⁴ released in early 2018 by the CCA subgroup of the New York State Clean Energy Advisory Council (CEAC)^{15 16} presented an excellent compilation of various objectives, benefits, and cross-cutting issues for New York State CCAs.

The Report identified, among other things, a three-phase progression for CCA policy and activity in New York State, consisting of (1) a current phase, (2) a near-term phase, and (3) a mid-term phase. The near-term phase would see increased CCA activity and capacity for supporting CCA, while the mid-term phase is envisioned as having more innovative and effective CCA activity, potentially enabled by NYS CCA and related policies.

The Report used these phases to identify important policy and non-policy recommendations for New York to further “...enhance CCA capabilities and the benefits that CCA is able to provide.”

¹² See NYS Executive Budget, Section S1508/A2008, Parts kk & ll:

<https://www.nysenate.gov/legislation/bills/2019/a2008/amendment/original>

¹³ NYPA Mulls CCA Plan, Politico NY, 10/11/19: <https://www.politico.com/states/new-york/newsletters/politico-new-york-energy/2019/10/11/ny-pa-mulls-cca-plan-327410>

¹⁴ [CCA Policy Recommendations Report](#):

<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7bBC85DA51-FF3A-4619-BC81-971BAE24BA60%7d>

¹⁵ The PSC appointed the CCA Subgroup in conjunction with the State’s CEAC, the state’s energy goals and the NY State Energy Plan (SEP).

¹⁶ See Case 14-M-0094-Proceeding on Motion of the Commission To Consider a Clean Energy Fund

The Suffolk County CCA Task Force defers to the CEAC Subgroup Report's entire set of recommendations¹⁷ and have included Task Force recommendations based on them. More on the CEAC Subgroup Report is included in Chapter III, Section A, "NYS CCA Policy Recommendations Report", below.

C. Current New York CCA programs

As of July 2019, there were 80 municipalities with a local law authorizing CCA, with certification of local authorization submission to The Department of Public Service (DPS) under a CCA Administrator's approved CCA Implementation Plan.

For a list of New York State CCA administrators, communities and supply products see [Appendix G](#). There are 60 municipalities, with an estimated total of around 160,000 electric accounts, receiving CCA supply in New York as of July 2019. Data on those CCA programs can be found in [Appendix H](#)¹⁸. DPS maintains a current GIS map and other data, including administrator and supply price data, of New York's CCA on their website's page, [Community Choice Aggregation Programs](#)¹⁹

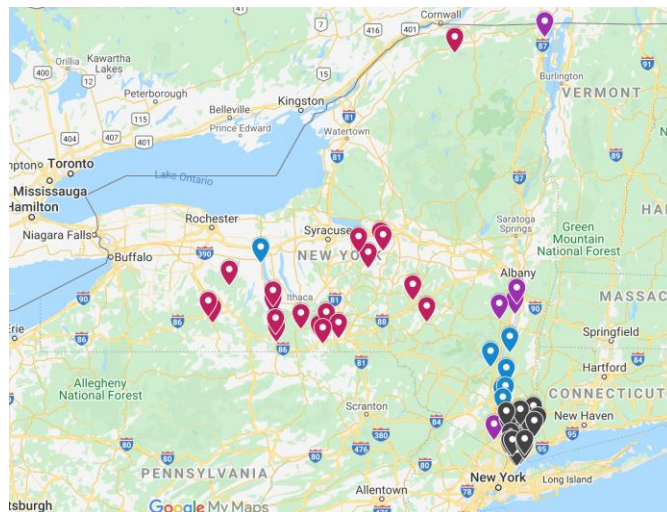


Figure 2: Map of NYS communities with CCA programs as of July 2019.²⁰ Image provided by: The Suffolk County CCA Task Force.

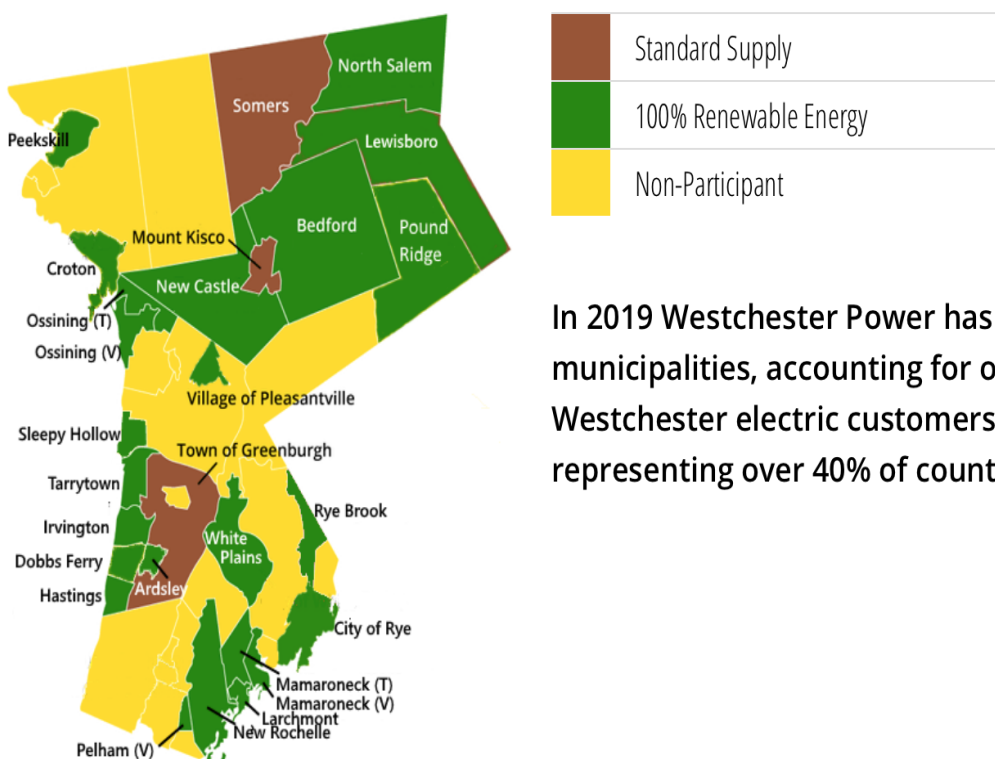
¹⁷ The CEAC Subgroup Report's Policy Recommendations are summarized in Report Tables 5-1 and 5-2. The Non-Policy Recommendations can be found in Tables D-1 through D-5 in Appendix D of the Report.

¹⁸ An additional community, the City of Red Hook (Dutchess County) CCA program began serving customers in 2020

¹⁹ DPS Community Choice Aggregation Programs Map, <https://www3.dps.ny.gov/W/PSCWeb.nsf/All/82F83CAC4E71F05D8525835900429D8F?OpenDocument>

²⁰ Map of NYS communities with CCA programs as of July 2019, put together by the Suffolk County CCA Task Force with information provided by NYSERDA.

Map of CCAs in Westchester County, NY



In 2019 Westchester Power has grown to 27 municipalities, accounting for over 100,000 Westchester electric customers and representing over 40% of county population.

Figure 3: Image provided by: Sustainable Westchester. ²¹ <https://westchesterpower.org/municipalities/>

Since its launch in May, 2016, Westchester Power, a CCA Administrator, has saved its program participants a combined \$8.8 million in Con Edison territory and \$1.1 million in New York State Electric & Gas (NYSEG) territory. In 2019 Westchester Power has grown to 27 municipalities, accounting for over 100,000 Westchester electric customers and representing over 40% of the county population.

An additional benefit of CCA is greater rate stability through longer-term fixed rate procurement. Traditional utilities are subject to fluctuations in fossil fuel prices, which ultimately change the month-to-month charges to utility customers. CCAs typically enter into longer-term power supply contracts with ESCOs, providing customers with more predictable budgeting of year-over-year energy expenses.

²¹ Map courtesy of Sustainable Westchester, <https://westchesterpower.org/municipalities/>

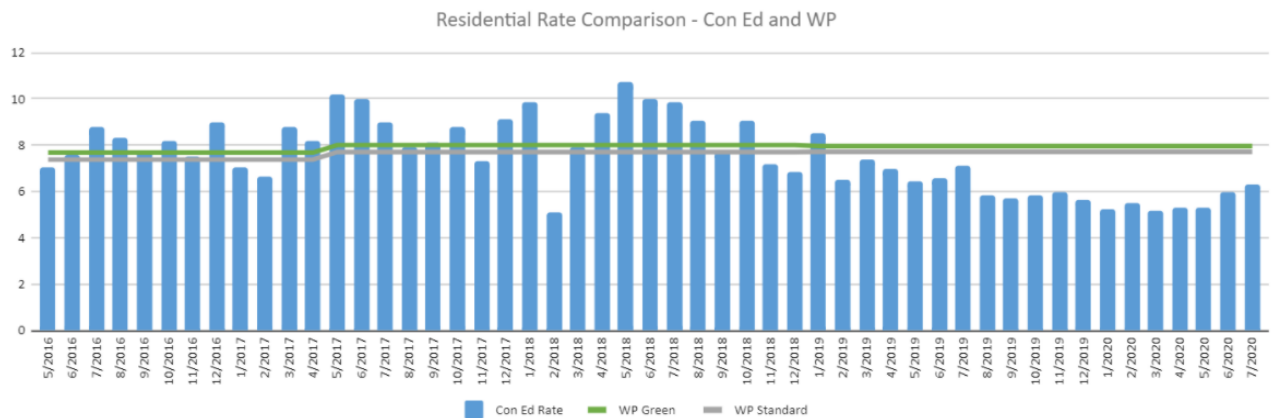


Figure 4: Residential Rate Comparison, ConEd & Westchester Power (July, 2020). Image provided by: Westchester Power, Rates So Far. <https://sustainablewestchester.org/wp/rates-bills/>

D. CCA on Long Island

As of July 2020, the following municipalities have demonstrated interest in CCA:

Town of Southampton

- Enabling Legislation adopted, Administrator retained

Town of East Hampton

- Enabling Legislation adopted on November 5, 2020. Public Hearings on Enabling Legislation were held on June 4, 2020 and September 17, 2020

Town of Brookhaven^{22 23 24}

- Enabling Legislation adopted²⁵

Town of Hempstead²⁶

- Enabling Legislation adopted²⁷

²² See Public Hearing notice http://brookhaventownny.ig2.com/Citizens/Detail_LegalNotice.aspx?ID=2409

²³ See also <https://www.newsday.com/long-island/suffolk/brookhaven-electricity-costs-1.36505177>

²⁴ See CCA page <https://www.brookhavenny.gov/1114/Community-Choice-Aggregation-CCA>

²⁵ L.L. No. 23-2019, effective 10/16/2019 <https://ecode360.com/8592496>

²⁶ See <https://hempsteadny.gov/community-choice-aggregation> and https://hempsteadny.gov/files/pdfs/What-are-the-Costs-and-Risks_1.pdf (accessed 9/15/2019)

²⁷ See <https://ecode360.com/15509386>

E. Overview of Other States with CCA

From 1997-2016 seven states have adopted legislation for opt-out CCA programs. Virginia passed legislation approving municipal and state aggregation in 1999, but with an opt-in clause. Similar to California, Virginia is a partially-regulated, rather than fully deregulated, electricity market. Despite the early approval of CCAs, there are currently no energy aggregation plans available for residents or businesses in the state.²⁸

State	Year Legislation / Authority was Established	Enacting Legislation / Authorization
Massachusetts	1997	Acts 1997, Chapter 164
Ohio	1999	Senate Bill 3; Senate Bill 221 (2008)
California	2002	Assembly Bill 117
Rhode Island	2002	House Bill 7786
New Jersey	2003	Assembly Bill 2165
Illinois	2009	House Bill 362
New York	2016	PSC Case 14-M-0224

Source: National Renewable Energy Laboratory 2016; National Conference of State Legislatures 2015.

Figure 5: States with CCA Legislation/Authority.²⁹ Image provided by National Renewable Energy Laboratory.

CCA's have lowered utility bills for customers across the United States. Examples³⁰ include:

- Cincinnati, Ohio provides program participants with 100% renewable energy while offering a 23% discount. The city relies on RECs produced from the University of Cincinnati's Central Utility Plant and from the solar canopy installed at the Cincinnati Zoo, along with other credits purchased by the electric service provider, to make this electricity "green".
- Evanston, Illinois offers 100% REC-supported renewable energy at rates 38% lower than those offered by the investor owned utility ("IOU").
- Campton Hills, Illinois uses RECs to offer between 50% and 100% renewable energy at significantly lower rates, saving customers up to 50% on the electric supply portion of their bills.
- Oak Park, Illinois relies on wind RECs to provide 100% renewable electricity for \$0.0579/kWh, versus \$0.08324/kWh from the IOU.

²⁸ Where is Community Choice Aggregation Available? (Updated: January, 2020).

<https://www.energysage.com/other-clean-options/community-choice-aggregation/where-are-ccas-available/>

²⁹ As cited in Table 1-1 CCA Policy Recommendations Report pg. 17

³⁰ The Solar Foundation: Powered by Sunshot, The U.S. Department of Energy "Community Choice Aggregation" https://icma.org/sites/default/files/306456_Community%20Choice%20Aggregation%20Fact%20Sheet.pdf

- Plumsted Township, New Jersey, the state's first program since CCAs were authorized in the state in 2003, provides 10% renewable energy while saving program participants 14% off the IOU's generation rate – savings that equate to \$165 per year for each customer.

It is important to note that while the above examples show that CCAs can lower electric rates, communities may decide to offer products based on goals other than simply lowering rates. For example, a community may decide that the main goal of the CCA is to provide renewable energy and may be willing to pay a premium over current rates to achieve that goal.

F. Typical Process to Establish a CCA Program

The following steps for municipalities are based, in part, on a NYSEDA CCA Step-by-Step Guidance document.³¹

The process of planning for a CCA program will vary with each municipality and program. In some cases, a non-profit, consultant, or other third party may develop a plan and solicit municipal members. In other cases, municipal officials, on their own initiative or based on requests from residents, may develop their own plan for a CCA program and either implement it themselves or engage a third party to support them. The municipality will remain ultimately responsible for ensuring that the CCA program is operated in compliance with legal requirements, that it serves the interests of its residents, and that customer information is appropriately protected.

Expression of Interest

Typically, the process starts with the municipality expressing interest in CCA by passing a non-binding resolution. This step is optional.

Adoption of Enabling Legislation

Each municipality intending to implement a CCA program must pass legislation exercising its Municipal Home Rule Law authority, after holding a public hearing. A sample resolution can be found in [Appendix E](#).

MOU with Administrator

For CCA programs where a third party acts as CCA administrator, municipalities may enter into a Memorandum of Understanding (MOU) with the CCA administrator to commit to participate in the CCA program, subject to certain terms and conditions.

³¹ See NYSEDA presentation: Community Choice Aggregation - A High-Impact Action for the Clean Energy Communities Program: <https://www.nyserda.ny.gov/-/media/Files/Programs/Clean-Energy-Communities/CEC-Community-Choice-Aggregation-Step-by-Step-Guidance.pdf>

Inter-Municipal Agreement

Where a municipality acts as CCA administrator, the municipality may enter into Inter-Municipal Agreements (IMA) with participating municipalities to create a CCA program.

NYS Public Service Commission's Role

The Public Service Commission (PSC) [Framework Order](#)³² on CCA sets forth the requirements, terms, and conditions under which CCA programs can proceed through implementation.

The PSC Order requires that the following documents be filed with and approved by the PSC:

- CCA Implementation Plan
- Data Protection Plan
- Local Law Authorizations

Once these documents have been filed, the PSC will determine whether they comply with the requirement of the PSC's CCA Order and issue an approval. It should be noted that, while the LIPA decision on May 20th to adopt a CCA tariff enables CCA on Long Island, certain procedural steps need to be taken to better define how DPS-LI and PSC will process a municipality's CCA implementation plan.

Long Island municipalities seeking to establish CCA programs will need to submit the required documents (Implementation Plan, Data Protection Plan, etc.) to DPS-Long Island, which will review the documents and consider them for PSC approval, and must execute a Data Security Agreement with LIPA's service provider, PSEG Long Island.

Public Outreach and Education

The Municipality/Administrator conducts public outreach and education.

Receipt of Customer Data

Administrator receives and reviews aggregate customer data from the utility.

Requests for Proposals

- Administrator issues Request for Proposals for energy supply from ESCOs.
- The Administrator reviews responses and can reject proposals or select acceptable proposals. If no proposals are deemed responsive and competitive, the municipality has no obligation to offer a CCA program.
- If proposals are selected, the Administrator enters into contract(s) with the selected ESCO(s). CCA power supply contracts are typically multi-year contracts with a locked-in fixed rate energy price.

³² <https://www.nyserda.ny.gov/-/media/Files/Programs/Clean-Energy-Communities/Public-Service-Commission-CCA-Order.pdf>

- In addition to power supply, the CCA can also enter into contracts for other services such as community solar, demand response and energy efficiency programs, energy storage, and bulk purchase programs for solar rooftops or electric vehicle chargers.

Customer Notification

Administrator notifies customers of CCA plan and opt-out provisions.

CCA Program Launch

The CCA Program begins.

Annual Reporting

Annual Reporting is conducted.

II. Background

A. NYS's Reforming the Energy Vision

To understand the purpose of Community Choice Aggregation it is instructive to see CCA in the context of some larger New York State initiatives.

Regulatory changes supporting Governor Cuomo's New York "Reforming the Energy Vision" ("REV") initiative³³ are promoting more efficient use of energy, deeper penetration of renewable energy resources such as wind and solar, wider deployment of "distributed" energy resources, such as microgrids, roof-top solar and other on-site power supplies, and storage. "REV" enables markets to achieve greater use of advanced energy management products to enhance demand elasticity and efficiencies. These changes, in turn, will empower customers by allowing them more choices in how they manage and consume electric energy. "REV" also helps consumers make more informed energy choices while protecting the environment.

Governor Cuomo has tasked the New York Public Service Commission (PSC), the New York Energy Research and Development Authority (NYSERDA), the New York Power Authority (NYPA), and the Long Island Power Authority (LIPA) to work together to make the Governor's new energy strategy, defined in "Reforming the Energy Vision", a reality.

In its role, the Public Service Commission is aligning markets and the regulatory landscape under the state policy objectives of giving all customers new opportunities for energy savings, local power

³³ State of New York Public Service Commission CASE 14-M-0101 - [Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision](#)

generation, and enhanced reliability to provide safe, clean and affordable electric service. Community Choice Aggregation, “CCA”, is one initiative in the State’s clean energy toolbox, offering consumers the additional opportunity to choose a renewable energy supply.

B. New York’s Climate Leadership and Community Protection Act (“CLCPA”)

The 2019-2020 NY State Legislature passed³⁴, and Governor Andrew Cuomo signed, the Climate Leadership and Community Protection Act³⁵, which took effect on January 1, 2020. The law addresses climate change, renewable energy programs, labor and job standards, worker protection, and climate justice. It sets the state on a path toward reduced statewide greenhouse gas emissions.

With the [Climate Leadership and Community Protection Act](#), New York State committed to the most aggressive clean energy and climate agenda in the country. The law includes a timeline and specific targets:

- 85% Reduction in GHG Emissions by 2050
- 100% Carbon-free Electricity by 2040
- 70% Renewable Electricity by 2030
- 9,000 MW of Offshore Wind by 2035
- 3,000 MW of Energy Storage by 2030
- 6,000 MW of Solar by 2025
- 22 Million Tons of Carbon Reduction through Energy Efficiency and Electrification

The law also established the New York State Climate Action Council (Council), made up of 22 members including the heads of 12 State Agencies and Authorities. The Council is tasked with preparing a Scoping Plan to achieve the State’s clean energy and climate agenda. A draft scoping plan will be available in 2022 for public input and hearings. The final scoping plan is to be delivered in early 2023.

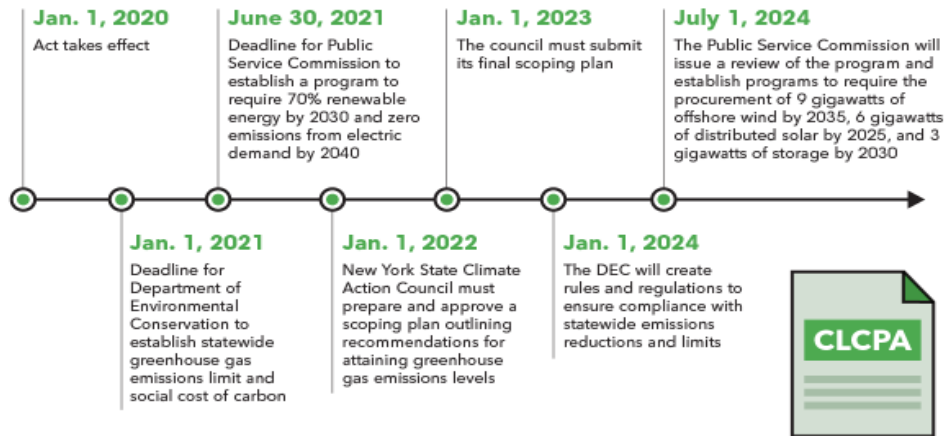
The Council also oversees the establishment of sector-specific advisory panels and working groups and will work in consultation with the Climate Justice Working Group and the Environmental Justice Advisory Group, as stipulated in the CLCPA. More information is available at <https://climate.ny.gov/> and in a brief fact sheet at <https://climate.ny.gov/-/media/CLCPA/Files/CLCPA-Fact-Sheet.pdf>.

The Long Island Power Authority is represented on the Climate Action Council and LIPA committed to adopting renewable targets that achieve the Clean Energy Standard mandate of 70% renewable electricity by the year 2030, as required by the CLCPA. LIPA has also been leading the state in solar energy installations and has committed to purchasing significant amounts of offshore wind power.

³⁴ 6-18-19 STATE OF NEW YORK Regular Session: Senate Bill S6599/ Assembly Bill A8429

³⁵ See more at <https://climate.ny.gov/>

Climate Leadership Community Protection Act Timeline



Source: Information provided by the Business Council of New York State and the governor's office based on deadlines set out in the statute.

Bloomberg Environment

Figure 6: CLCPA Timeline. Image provided by: American College of Environmental Lawyers
<http://www.acoel.org/?tag=/Climate+Leadership+and+Community+Protection+Act>

C. Benefits of a Clean Energy Economy

Job creation and other economic opportunities are important potential benefits of CCA's that seek to offer renewable energy supply. A NYSDA Clean Energy Fact Sheet and [2019 Report](#) include the following:

- In 2019, nearly 159,000 New Yorkers were working in the clean energy industry across all regions of the State, leading the number of workers in biotech and agriculture industries.
- New York's clean energy economy saw 8.9% employment growth since 2016, stronger growth than the State's overall economy which grew 3.4% in that time.
- Energy efficiency remains the largest clean energy technology category with 123,292 jobs, or 78% of all clean energy employment in New York.
- Over 80% of employers who hired clean energy workers in the past year had difficulty hiring, with incoming talent lacking experience, training, or technical skills as well as industry-specific knowledge.



Figure 7: NY Clean Energy Industry Graph. Image provided by NYSERDA. [2019 New York Clean Energy Industry Report - NYSERDAwww.nyserda.ny.gov › media › Files › Publications › 2...](https://www.nyserda.ny.gov/-/media/Files/Publications/2019-New-York-Clean-Energy-Industry-Report)

By facilitating the demand for a greater clean energy supply, the CCA model has the potential to allow Long Island to participate more fully in the growth of New York State's clean energy economy.

III. How Does “CCA” Work?

At present, energy is typically supplied to end users by a monopoly utility that selects energy supply sources and buys energy and capacity, maintains the grid and delivers the energy, and bills customers who pay for energy, capacity, and delivery. With CCA, the community is given control over the source and type of energy, while system maintenance and billing functions remain with the utility. CCA allows a community to choose the energy it needs from sourcing it can control.

New York CCA programs enroll all eligible customers within the community, but individual customers have the ability to opt-out of the CCA program and remain full-service customers of the utility.³⁶

³⁶ Case 14-M-0224 - NYS PSC CCA Framework Order, Appendix D, "CCA Rules Summary", "Scope of CCA Programs", pp 2 - 3 <https://www.nyserda.ny.gov/-/media/Files/Programs/Clean-Energy-Communities/Public-Service-Commission-CCA-Order.pdf>

In New York State, CCAs purchase electricity and/or natural gas supply from Energy Service Companies (“ESCOs”). By pooling, or ‘aggregating’, local energy consumption for mass-market customers, CCA programs have the ability to competitively negotiate a fixed-rate energy supply, potentially lowering utility bills. While some may initially look to CCA as only offering a way to purchase energy at a lower rate, there are a host of additional opportunities and potential benefits that may be achieved through more advanced CCA programs. For instance, CCA communities can choose cleaner energy resources including community solar and offshore wind energy, as well as value-added services like energy efficiency, demand response, energy management, bulk purchase programs, and community microgrid projects.

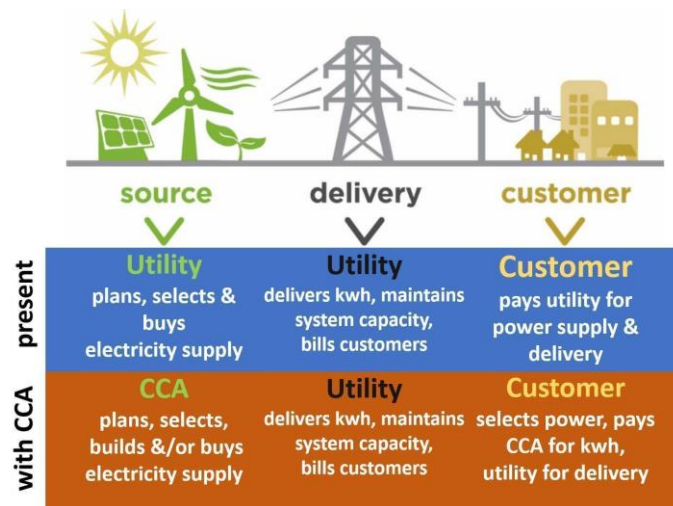


Figure 8: Comparison of roles between present utility supply and CCA supply. Image provided by: National Renewable Energy Laboratory. <https://www.nrel.gov/docs/fy19osti/72195.pdf>

A. NYS CCA Policy Recommendations Report

With a 2016 Order of its Clean Energy Fund Framework Case³⁷, the NY PSC established a Clean Energy Advisory Group, which assembled a CCA “Subgroup” to “identify policy recommendations that will advance effective CCA activity while also advancing New York State’s clean energy goals and the SEP. The Subgroup was tasked with developing the attached Community Choice Aggregation Policy Recommendations Report which describes a model for CCA in New York State and policy recommendations that address barriers that limit both the development of CCAs and effective CCA activity”.

³⁷ [Case 14-M-0094](#) Proceeding on Motion of the Commission to Consider a Clean Energy Fund

An extensive Report³⁸ released in early 2018 by the CCA Subgroup presented an excellent compilation of various objectives, benefits, and cross-cutting issues for New York State CCAs. The Report contained important policy and non-policy recommendations to further advance CCA in New York.

The Subgroup identified key elements³⁹ for a NYS CCA model. The key elements the Subgroup advises NYS CCA programs to employ in developing a CCA model include program objectives, benefits/beneficiaries, and cross cutting issues as follows:

Objectives: Outcomes

- Advance REV and SEP Goals
- Informed Energy Consumption
- Cost Savings / Rate Stabilization
- Local Decision-Making about Energy

Benefits: CCA Beneficiaries

- CCA Customers
 - Clean-energy options, advocacy, education, fixed supply rates, potential energy savings
- Communities participating in CCA
 - Energy planning: reliability, resiliency
- Local economies within the CCA service territories
 - Creating local jobs. develop local workforce
- Climate and Environment
 - Facilitate reduction of GHG emissions, mitigate climate change effects

Cross Cutting Issues

The Subgroup Report states that *“Cross cutting issues represent limitations and challenges that all CCAs need to overcome and may impact the ability of CCAs statewide to help achieve the state’s energy policy goals. Acknowledging and addressing these limitations and challenges may increase CCA capabilities and the benefits they are able to provide statewide. It is important to note that the Subgroup identified these cross-cutting issues based on the state’s experience with CCAs to date. Further experience with CCA programs will shape the Subgroup’s perception of these limitations and challenges. Each of the key elements is associated with various programmatic approaches and options for structuring, financing, managing, and administering a CCA. In NYS, CCA Administrators should administer CCAs that achieve the identified objectives and benefits”*⁴⁰.

³⁸ The January 2018 Community Choice Aggregation Policy Recommendations Report can be found at <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7bBC85DA51-FF3A-4619-BC81-971BAE24BA60%7d>

³⁹ Source of Figure 4: CCA Policy Recommendations Report pg. 24

⁴⁰ [CCA Policy Recommendations Report](#) at 22

“The current CCA policy allows flexibility in how a particular CCA is developed and implemented; however, there are existing cross cutting limitations and policy barriers that are associated with administering CCAs and achieving various objectives and benefits. A definition of each of these items is below”.

Limitations

The Report identifies limitations as potential obstacles or challenges to CCA launch and implementation. The Subgroup identified five cross cutting issues that impact all CCAs in NYS. Each of these cross cutting issues present limitations and challenges for robust and statewide launch of CCAs that meet communities’ goals:

- *CCA Administration (including development, implementation, and operation)*
- *Financing*
- *Data Access / Quality / Management*
- *Planning*
- *Education*

For example, on the point of Education, the Report states:

“Despite the extensive education and outreach pertaining to energy consumption and energy efficiency that has been conducted by utilities, community organizations, ESCOs, and DER suppliers, most customers are not well-versed in energy-related topics. Energy can be complicated and confusing.”

It is beyond the scope of our SC CCA Task Force Report to detail the issues identified and recommendations made by the Subgroup Report. We have, however, included some of the Subgroup Report’s recommendations in our list of recommendations and identified those in footnotes.

We suggest that anyone interested in establishing a CCA in New York State would benefit from reviewing the Subgroup’s CCA Policy Recommendations Report, which includes both policy and non-policy issues and recommendations.

B. NYS CCA Program Benefits

When a CCA program is implemented, there are potential benefits for customers, the community, the local economy, climate and the environment.

Customers

- empowered to make informed energy decisions;
- gain control of choosing energy supply in local hands;
- realize a potential for savings through energy-efficiency,
- gain the opportunity for smart energy management and bulk purchase programs;
- secure an opportunity to participate in the growing green economy;
- engage in advocacy and education opportunities.

Community

- provides local choice for the procurement of energy sources;
- provides opportunities to locally benefit from the new clean energy economy while reducing carbon emissions.

Local Economy

- stimulates investment in and development of local energy generation;
- encourages new revenue sources;
- offers employment training and placement opportunities;
- develops local workforce to support DER projects.

Climate & Environment

- increases energy efficiencies and management programs to reduce reliance on fossil fuels;
- contributes to local and state efforts to mitigate the effects of climate change;
- reduces impacts of pollution on water, air and soil quality;
- contributes to the development of new energy transmission and distribution infrastructure.

Magnitude of Emission Reductions

It is important to note the potential magnitude of emission reductions which can be achieved through CCAs. While efforts typically made by towns to reduce emissions by switching to renewable energy sources will only apply to town-owned facilities (e.g., street lights, town fleets, facilities), offering a 100% renewable energy product mix to CCA customers will apply to the majority of residents and businesses in the municipality's jurisdiction, and therefore result in much greater emission reductions.

To illustrate the vastly different magnitude of emissions reductions achieved by CCA's as compared to municipalities that switch to renewable energy for municipal uses only, Task Force member Brad Tito, NYSERDA Program Manager for Communities and Local Governments, presented an example of CO₂ reductions in a medium-sized municipality. The example showed that the reductions achieved by CCA exceeded reductions achieved by replacing street lights with LEDs, by a factor of more than 100:

"To put this into perspective, one medium size city in New York is considering a project to convert 4,200 street lights to LED. Converting street lights to LED saves a lot of energy. 4,200 is a big impact. Well, a "green" CCA for that same city has an equivalent CO₂ benefit of converting ~400,000 street lights to LED. There's no other single policy that has an equivalent CO₂ benefit. It's because you are taking this huge electrical load and you are matching it with renewable energy certificates (RECs)."

C. PSC Framework Order

The PSC Framework Order of April 21, 2016 articulates the necessary program design principles and standards that municipalities must apply in developing and implementing CCA programs for their constituents. LIPA's Tariff Amendment of May 20, 2020 authorizes the application of the Framework Order to CCA's within the LIPA service territory.

CCA Rules

Listed below are condensed CCA rules based on the CCA Rules Summary of the PSC 2016 CCA Framework Order. Details can be found in Appendix D, [CCA Framework Order](#)⁴¹. Additional information can be found in the 2019 [DPS CCA Aggregation Guidance Document](#)⁴².

1. Eligible Municipal Governments
 - a. Municipalities: villages, towns and cities;
 - b. County governments may actively encourage and coordinate municipalities within the county to form a CCA and work to support the CCA in an administrative role, but are not authorized to independently create a CCA;
2. Scope of CCA Programs:
 - a. may aggregate supply;
 - b. may aggregate or integrate energy efficiency and Distributed Energy Resources (DER) like customer-sited solar;
 - c. not permitted to allocate customer payments to a clean energy or public benefit fund;
3. Customer Eligibility
 - a. all customers are eligible;
 - b. customers can be enrolled on an opt-out basis only if their service class is listed in 14-M-0224 Framework Order, Appendix C for NY State investor-owned utilities or in LIPA's CCA Tariff;
4. Customer Outreach

The CCA Administrator provides information and education to potential CCA members. The Commission's Framework Order mandates specific customer outreach practices, including the following:

- a. Before soliciting ESCO proposals or operating as a CCA, the Administrator must file and receive Commission approval of an Implementation Plan and other documents.
- b. The Implementation Plan must include:

⁴¹ NYS PSC CCA Framework Order <https://www.nyserda.ny.gov/-/media/Files/Programs/Clean-Energy-Communities/Public-Service-Commission-CCA-Order.pdf>

⁴² The CCA Guidance Document is available as a .pdf at <https://www.nyserda.ny.gov/-/media/Files/Programs/Clean-Energy-Communities/CCA-Guidance-Document-DPS---August-2019.pdf>

- i. a public outreach plan, and drafts of written communications with its residents, including opt-out letters;
- ii. multiple forms of outreach over a period of no less than two months;
- iii. contact information for a CCA liaison to respond to questions or concerns by CCA customers and identify at least one local official or agency in each municipality that residents of that municipality may contact with questions or comments.

5. Low-Income Customer Participation

The Framework Order includes specific provisions for Low-Income Customer participation, including:

- a. CCA programs may include Assistance Program Participants or APPs so long as those customers are enrolled in products that comply with requirements for ESCO service of APPs at the time of enrollment, but are not required to include APPs.
- b. CCA Administrators should consult with relevant local or state social services program administrators in considering whether to include APPs.
- c. Special rules apply for customers whose utility bills are paid by social service organizations.

6. Customer Opt-Out Process⁴³

Before mailing opt-out letters and beginning the opt-out period, the CCA Administrator will need:

- a. Approved Implementation and Data Protection Plans and certifications of local authorization;
- b. Staff approval of completion of outreach and education;
- c. The opt-out letter has been reviewed and approved by Staff;
- d. Any FAQs or other information being sent with the opt-out letter will need Staff review and approval as well.

The opt-out letter must provide an opt-out period of at least 30 days before the customer is enrolled. Such customers shall also be permitted to cancel and return to utility service or service

⁴³ DPS CCA Guidance Document, pg. 27 <https://www.nyserda.ny.gov/-/media/Files/Programs/Clean-Energy-Communities/CCA-Guidance-Documents/DPS---August-2019.pdf>

by another ESCO with no cancellation fees or other charges any time before the end of the third billing cycle after their enrollment.⁴⁴

7. Customer Opt-in Process

Customers who are choosing to participate may be enrolled on an opt-in basis, but this process needs to be consistent with the requirements of the Uniform Business Practices (UBP), including third-party verification requirements.

8. Municipal Contacts with ESCOs and other Providers

The terms of the ESCO contract between the municipality and the ESCO(s) providing service must comply with generally applicable requirements for ESCO service at the time the contract is entered into.

9. Clean Energy Integration

- a. If a CCA intends to offer green energy, it must ensure that such energy is generated by biomass, biogas, hydropower, solar energy, or wind energy, as defined in and subject to the environmental attributes and delivery rules of the Commission's Environmental Disclosure Program.⁴⁵ ESCO's with the intent to purchase Renewable Energy Credits (RECs) will follow the requirements effective January 1, 2019.
- b. ESCOs selling green products are required to disclose to customers the premium the customer will be charged for the purchase of the green product separate from the underlying commodity charge.⁴⁶
- c. ESCOs providing green energy in the context of CCA must maintain auditable New York specific records to demonstrate that such customers are receiving green energy compliant with the environmental attributes and delivery rules of the Commission's Environmental Disclosure Program. Failure to maintain such auditable New York specific records or to allow access to such records by Department Staff or its designee would be grounds for disqualifying the ESCO or its affiliates from using the utility distribution systems to provide any services to any customers in New York State.⁴⁷

10. Funding and Collections

- a. CCA Administrators will be permitted to collect funds from customer payments to pay for administrative costs associated with running the CCA program.

⁴⁴ See pg. 15 of [Framework Order](#)

⁴⁵ Joule Order Approving Joule Assets' Community Choice Aggregation Program With Modifications, Issued and Effective March 16, 2018: <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7B1ADFD6F6-129F-455B-B6A1-E28C3F2ABC0B%7D>

⁴⁶ [Joule Order 2018](#)

⁴⁷ [Joule Order 2018](#)

- b. CCA customer payments to the CCA Administrator will have to be negotiated as part of the contract and built into the per kWh rates.
- c. Municipalities may not collect funds from customer payments to cover lost sales tax revenues. Note that the sales tax exemption for ESCOs was removed in 2019.
- d. Municipalities will not be permitted to allocate a portion of the CCA customer payments to a clean energy or public benefit fund at this time.

11. Provision of Customer Data

Once the Commission has approved the CCA's filing of the Implementation and Data Protection Plans, the CCA Administrator may begin requesting aggregated data from the utility.

12. Reporting

Annual Reports shall be filed by March 31 (see more in section h) Reporting below).

CCA Administrator and its Role

The CCA Administrator is a Municipality, or its designee who:

- enters into agreements with participating municipalities;
- facilitates Public Service Commission (PSC) approval of the CCA Implementation Plan, including the opt-out process and Data Protection Plan;
- solicits bids from ESCOs for the procurement of energy supply and other value-added clean energy products;
- receives fees from ESCO(s) to cover administrative cost;
- is responsible for reporting and accountability measures.⁴⁸

Before receiving data from the utility, soliciting proposals from ESCOs, or starting to operate as a CCA, the CCA Administrator must file and receive Commission approval of an Implementation Plan, Data Protection Plan, and certification of local authorization.

The PSC Framework Order directs that municipalities should consider a variety of products and energy planning and management within a CCA program, and CCA Administrators should also take advantage of programs developed under REV, the Clean Energy Fund ("CEF"), and related proceedings, including Community Distributed Generation, as well as work with NYSERDA, local utilities, ESCOs and DER providers, to determine how DER and energy efficiency can be integrated into their programs.⁴⁹

The responsibilities of a CCA Administrator include:

⁴⁸ Based on NYSERDA Community Choice Aggregation: A High-Impact Action for the Clean Energy Communities certification Program <https://energizeeh.org/wp-content/uploads/2020/04/CCA-on-Long-Island-Presentation-by-Brad-Tito-9-25-19.pdf>

⁴⁹ Framework Order, page 11 - 12

a) Memorandum of Understanding & Inter-Municipal Agreements

Where a third-party acts as CCA administrator, municipalities may enter into a Memorandum of Understanding (MOU) with the CCA administrator to commit to participate in the CCA program subject to certain terms and conditions.

Where a municipality acts as CCA administrator, municipalities may enter into Inter-Municipal Agreements (IMA) with participating municipalities to create a CCA program.

b) Opt-out Process

The CCA Administrator shall provide information and education to potential CCA members over no less than a two-month period.

Customers must be permitted by the selected ESCO to opt out and return to utility service any time before the end of the third billing cycle after enrollment without penalty.

Before mailing opt-out letters and beginning the opt-out period, the CCA Administrator will need to have obtained PSC approval of Implementation and Data Protection Plans and certifications of local authorization. Additionally, Commission Staff approval is required of completion of outreach and education – including the additional meeting after the ESCO contract is awarded, the proposed opt-out letter, and any FAQs or other information being sent with the opt-out letter.

c) Data Protection Plan

The Data Protection Plan must describe how the CCA Administrator will ensure the same level of consumer protections as currently provided by utilities and ESCOs; including data security protocols and restrictions to prevent the sale of that data or its use for inappropriate purposes, such as advertising.

d) Implementation Plan

The CCA Administrator must file and receive Commission approval for an Implementation Plan which shall include a description of the program and its goals, plans for value-added services (e.g., installation of DER or other clean energy services) that will be included in an RFP, a public outreach plan, and drafts of written communications with its residents, including opt-out letters.

a. The Implementation Plan must include multiple forms of outreach over a period of no less than two months.

b. The Implementation Plan shall also include contact information for a CCA liaison to respond to questions or concerns by CCA customers and identify at least one local official or agency in each municipality that residents of that municipality may contact with questions or comments.

e) Certifications of Local Authorization

Each municipality intending to implement a CCA program must exercise its Municipal Home Rule Law authority by enacting a local law,⁵⁰ after holding a public hearing on notice, giving itself the requisite legal authority to act as an aggregator and broker for the sale of energy and other services to residents.

a. Any inter-municipal agreements may also require additional procedural steps imposed by the General Municipal Law or other applicable statutes.

b. CCA Administrator must file a certification that the CCA Program has received all necessary local authorizations.

f) Municipal Contracts with ESCOs and Other Providers

CCA programs are not limited to contracting with only one ESCO and are encouraged to consider whether agreements with more than one ESCO offering different products or benefits, or with DER and energy efficiency providers in addition to one or more ESCOs, could support their development of holistic community energy initiatives.

CCA Administrators will be permitted to collect funds from customer payments to pay for administrative costs associated with running the CCA program.

CCA customer payments to the CCA Administrator will have to be negotiated as part of the contract and built into the per kWh rates.

g) Clean Energy Integration, Funding, and Collections

CCA programs may aggregate or integrate into their programs energy efficiency and distributed energy resources like solar. However, municipalities will not be permitted to allocate a portion of the CCA customer payments to a clean energy or public benefit fund at this time

h) Reporting

The Administrator must file annual CCA reports with the PSC Secretary by March 31 of each year and cover the previous calendar year⁵¹.

Annual report numbers should be reported by Municipality, Utility, Program, and, if applicable, the total for all Programs in the CCA.

⁵⁰ A NYSEDA template for a CCA Local Law is available at <https://www.nyserda.ny.gov/-/media/Files/Programs/Clean-Energy-Communities/Template-CCA-Authorizing-Legislation.docx> . (The template is also included in the Appendices.)

⁵¹ Source: DPS CCA Guidance document, August 2019, pg. 33 <https://www.nyserda.ny.gov/-/media/Files/Programs/Clean-Energy-Communities/CCA-Guidance-DPS---August-2019.pdf>

The report should include:

1. Number of customers who opted-out in response to initial opt-out letters (first report);
2. Number of customers served;
3. Number of customers that cancelled during the year;
4. Comparison between monthly and annual utility supply price (for each product) and CCA contract price for the reporting period;
5. Number of complaints received for the reporting period (from all sources);
6. Value-added services provided during the year (e.g. installation of DER or other clean energy services);
7. Administrative costs collected; and
8. If the CCA supply contract will expire less than one year following the filing of the annual report, the report must identify current plans for soliciting a new contract, negotiating an extension, or ending the CCA program.

D. DPS CCA Guidance Document

In August 2019, the DPS issued its Community Choice Aggregation Guidance Document⁵². The 36-page document is available as part of NYSERDA's [CCA toolkit](#). The CCA Guidance Document provides a handy and authoritative overview of:

- The PSC CCA Order's Requirements
- Customer Eligibility
- Low-Income/APP Customer Participation
- Customer Outreach and Education & CCA Development Process
- Opt-out and Opt-in Process
- Provision of Customer Data
- Annual Reporting
- EDP Label Guidance
- CCA Expectations

E. PSC Case 14-M-0224

PSC Orders related to Matter 14-01211 and Case 14-M-0224 along with related documents on CCA can be found in the NYS DPS Matter Master at

<http://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=14-M-0224>

⁵² The CCA Guidance Document is available as a .pdf at <https://www.nysenda.ny.gov/-/media/Files/Programs/Clean-Energy-Communities/CCA-Guidance-Documents-DPS---August-2019.pdf>

F. DPS CCA Policy Recommendations Report

The 2018 [CCA Policy Recommendations Report](#) was developed by the Community Choice Aggregation (CCA) Subgroup of the Voluntary Investment in Other Market Development (VIOMD) Working Group for the Clean Energy Advisory Council (CEAC) Steering Committee. We discuss the report in more detail in Chapter IV, History of CCA, [CEAC Subgroup CCA Recommendations](#).

G. Renewable Energy Certificates (RECs) & Environmental Disclosure Program

What are RECs?

A REC is a certificate, created by a tracking system, such as the New York Generation Attribute Tracking System (NYGATS), that represents the attributes of one megawatt hour of electricity generated from a renewable source like solar or wind. These RECs, or certificates, are needed to substantiate environmental claims related to energy use, such as for compliance with a State-mandated renewable energy compliance program, or for “voluntary” claims such as a climate action pledge.⁵³ For a more detailed description, please see the [EPA’s Guide to Purchasing Green Power](#).

New York State uses a tiered mechanism in its Renewable Energy Standard (RES). The RES requires utilities and other load serving entities in the State to procure Tier 1 renewable energy credits (RECs). Tier 1 RECs are produced by generators using new renewable energy resources.

In addition, Tier 2 RECs (Maintenance Resources) are available and include run-of-river hydroelectric facilities of 10 MWs or less, wind turbines, and direct combustion biomass facilities. Tier 2 resources are required to have entered commercial operation prior to January 1, 2015; their output must have been originally included in the State’s baseline of renewable resources as of January 1, 2015, and generators must show that the renewable energy attributes of these resources are at financial risk⁵⁴. New York’s CCAs often purchase Tier 2 RECs from ESCOs.

The Renewable Energy Standard is part of the state’s Clean Energy Standard (CES). The CES includes an additional Tier 3 for Zero Emission Credits from nuclear power facilities. In a DPS proceeding on the CES, NYSERDA submitted a White Paper which proposes changes to reflect the zero emission and other

⁵³ Source: <https://www.nyserda.ny.gov/All-Programs/Programs/NYGATS/Renewable-Energy-Credits-Policy-Change/FAQ>

⁵⁴ See <https://www.nyserda.ny.gov/All-Programs/Programs/Clean-Energy-Standard/Renewable-Generators-and-Developers/RES-Tier-One-Eligibility> and <https://www.nyserda.ny.gov/All-Programs/Programs/Clean-Energy-Standard/Renewable-Generators-and-Developers/RES-Tier-Two-Eligibility>

targets set by the Climate Leadership and Community Protection Act, including changes to RES tiers and the addition of a new Tier 4 for certain types of hydropower facilities⁵⁵.

What is the Environmental Disclosure Program?

Energy services companies (ESCOs) selling electricity are required to provide customers with periodic environmental disclosure statements or [environmental disclosure labels](#) in plain language. The labels provide information on the types of fuels used to generate electricity, air emissions resulting from generating electricity, and a comparison of those emissions to a statewide average. This information enables consumers, if they choose; to select an electricity supplier based on environmental quality and resource diversity.⁵⁶

CCAs and RECs

CCAs which intend to offer green energy must ensure that such energy is generated by biomass, biogas, hydropower, solar energy, or wind energy, as defined in and subject to the environmental attributes and delivery rules of the Commission's Environmental Disclosure Program. ESCOs selling green products are required to disclose to customers the premium the customer will be charged for the purchase of the green product separate from the underlying commodity charge. ESCOs providing green energy in the context of CCA must maintain auditable New York specific records to demonstrate that such customers are receiving green energy compliant with the environmental attributes and delivery rules of the Commission's Environmental Disclosure Program.⁵⁷

REC Retirement

NYSERDA's Clean Energy Communities (CEC) program offers financial support to CECs which implement at least four of ten [CEC High Impact Actions](#). Establishing a CCA and offering a default 100% renewable energy product qualifies as a High Impact Action, provided that the electric service agreement requires the ESCO to retire RECs on behalf of the CCA municipality in a [NYGATS](#) Account in a manner that is compliant with rules of the Environmental Disclosure Program and that the electrical energy associated with the RECs is consumed at retail in New York State.

NY Generation Attributes Tracking System (NYGATS)

NYGATS is an online certificate-tracking system that records information about electricity generated, imported, and consumed within New York State.

⁵⁵ The June 18, 2020 White Paper submitted in Case 15-E-0302 at <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={E6A3B524-6617-4506-A076-62526F8EC4CB}>

⁵⁶ Source: <http://www3.dps.ny.gov/W/PSCWeb.nsf/0/502EF210A0D15B2885257687006F39D8>

⁵⁷ See pg. 20 "Joule Order": Order Approving Joule Assets' Community Choice Aggregation Program With Modifications, Issued and Effective March 16, 2018: <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7B1ADFD6F6-129F-455B-B6A1-E28C3F2ABC0B%7D>

Using unique serial numbers, it can issue, track, and manage energy attribute certificates and renewable energy certificates (RECs). It prevents double counting of RECs, provides public reports, and records a full audit trail of all transactions to support the integrity of the RECs issued and held in the system.⁵⁸

H. Long Island Choice Program & Green Choice

PSEG-LI currently offers its [LI Choice Program](#) which allows customers to purchase electricity directly from other energy service companies (ESCOs) and a Green Choice program which allows customers to purchase renewable energy certificates.

An ESCO may provide a broad range of energy solutions including designs and implementation of [energy savings](#) projects, [retrofitting](#), [energy conservation](#), energy infrastructure outsourcing, [power generation](#) and [energy supply](#), and risk management.

As of September 25, 2020, there was only one licensed ESCO listed on the LI Choice webpage as offering service to residential customers; there were four licensed ESCO listed for commercial customers.

As of the above date, the only ESCOs working with PSEG Long Island are:

Licensed ESCOs for Residential Customers

- Colombia Utilities Power LLC

Licensed ESCOs for Commercial Customers

- Calpine Energy Solutions
- Colombia Utilities Power LLC
- Direct Energy Business Marketing LLC
- Grid Power Direct

Green Choice Program

PSEG-LI also offers a [Green Choice Program](#)⁵⁹ which allows customers to support the development of renewable energy resources. As in most CCAs, customers in Green Choice support renewable energy by purchasing RECs. In Green Choice, a customer acquires RECs through an independent Green Power Marketer that partners with PSEG Long Island. As of September 25, 2020, there were two green marketers listed on PSEG-LI's Green Choice web page:

Community Energy, 1-866-WIND-123, www.NewWindEnergy.com

Sterling Planet, 1-877-457-2306, www.SterlingPlanet.com

⁵⁸ Source: <https://www.nyserda.ny.gov/All-Programs/Programs/NYGATS>

⁵⁹ <https://www.psegliny.com/myaccount/serviceandrates/greenchoice>

I. LIPA

Prior to the adoption of the May 20th Tariff Amendment, in an effort to determine how LIPA might implement CCA within their service territory, the Task Force submitted the following written questions to LIPA on January 7, 2020. Michael Deering, LIPA Vice President for Environmental Affairs, and Justin Bell, LIPA Vice President of Public Policy and Regulatory Affairs, provided and discussed the following written answers on behalf of LIPA during a Task Force meeting on January 28, 2020. It should be noted that, subsequent to this discussion, LIPA took the action permitting CCA in its service territory.

Questions Submitted to LIPA with Answers

1. Q: Given that the PSC Framework Order on CCA (April 21, 2016 in Case 14-M-0224) applies only to investor-owned electric and gas utilities, there is a perceived regulatory hurdle associated with establishing CCAs in LIPA's service territory. Can LIPA explain its view on authorizing CCA programs and offer options and solutions?

A: LIPA plans to adopt tariff provisions that are generally in conformance with the PSC Framework Order on CCA by mid-2020.

2. Q: Can LIPA adopt a CCA Tariff, similar to CCA tariffs adopted by other NYS utilities? Are there specific CCA tariff provisions which would need to be altered for a LIPA CCA tariff?

A: LIPA plans to publish a tariff proposal to implement CCA in the LIPA service area for consideration by the Board by mid-2020. That tariff proposal is expected to generally conform to the PSC's policies. The Commission adopted its CCA policies within the construct of their approved Retail Access program. We expect to follow a similar construct that incorporates LIPA's retail choice program.

3. Q: As per the PSC Framework Order, municipalities or their designees (CCA Administrators) that plan to establish CCA programs shall file with the PSC an Implementation Plan, Data Protection Plan, and a certification of local authorization. Once in operation, Annual Reports must also be filed. To whom would Long Island municipalities submit these documents for consideration and who will review and approve them?

A: The Long Island office of the Department of Public Service.

4. Q: Does LIPA foresee any other requirements related to filing of these documents or other processes as laid out in the PSC Framework Order?

A: Currently, we don't foresee or anticipate any material differences in the CCA requirements

except, as noted earlier, that CCA participants would need to conform with the requirements of LIPA's Long Island Choice retail access program.

5. Q: Does LIPA foresee any issues regarding the transfer of aggregated data to municipalities or CCA administrators, as stipulated in the PSC Framework Order, including number of customers by service class, aggregated peak demand (kW) by month and service class, and aggregated energy (kWh) by month and service class?

A: Not at this time. PSEG Long Island is aware of the Commission's Order and is preparing similar processes for the LIPA service area.

6. Q: Will LIPA develop and offer a standard Data Security Agreement for CCAs, as required by the PSC Framework Order?

A: Yes.

7. Q: Are there current applicable requirements for ESCO service in the LIPA service territory that would need to be amended to allow for CCA programs on Long Island?

A: We expect there to be some modifications to the Long Island Choice operating procedures that recognize the existence of CCA administrators that will work with the ESCOs. We are aware that certain operating procedures will be necessary to recognize the opt-out nature of the CCA program, and the continuing need to provide data to the CCA administrator without prior customer approval, and that the role of the DPS in handling customer complaints regarding the CCA program may need to be reviewed and modified. In general, however, we expect the ESCO requirements will remain the same as they are today.

8. Q: Will LIPA or its contractor PSEG-LI be able to provide a single bill to CCA customers which contains billing for both delivery charges and ESCO supply charges and allow customers to make a single payment for both charges? If not, please explain.

A: PSEG Long Island does not currently have the capability to provide consolidated billing ("single bill") to ESCOs, including ESCOs that might support the CCA. We would want feedback from municipalities as to how important consolidated billing is to them. Historically, we have heard very little interest in consolidated billing from ESCOs in our service territory, and the cost of developing this capability is significant. We would need assurance that a significant number of municipalities are committed to forming CCAs and utilizing consolidated billing in order to justify the expenditure.

9. Q: Does LIPA/PSEG-LI currently have billing services agreements between ESCOs and the utility with rules governing data exchange, purchase of receivable, failure to pay, partial payment, collections and termination of service?

A: LIPA doesn't provide consolidated billing services to the Long Island Choice ESCOs, nor does LIPA offer Purchase of Receivables to those Long Island Choice ESCOs.

10. Q: What challenges does LIPA foresee for the establishment of CCAs on Long Island?

A: Historically, a significant portion of ESCO savings came from a County and local government sales tax exemption under State law, meaning that customers that bought energy from an ESCO were exempt from paying County and local sales taxes that they would have to pay if they bought energy from PSEG Long Island. This exemption was eliminated in 2019. With utility and ESCO service both now paying County sales taxes, it will be more of a challenge in terms of CCAs being able to serve customers cost-effectively.

LIPA's CCA Tariff Provisions

After meetings between LIPA, DPS-LI, Legislator Fleming, members of the SC CCA Task Force and others, LIPA proposed "to modify its Tariff for Electric Service effective June 1, 2020, in accordance with the New York State Public Service Commission Proceeding 14-M-0224; Proceeding on Motion of the Commission to Enable Community Choice Aggregation Program".

LIPA's [Tariff Proposal February 2020 - Community Choice Aggregation](https://www.lipower.org/wp-content/uploads/2020/03/Tariff-Proposal-February-2020-Community-Choice-Aggregation.pdf)⁶⁰ was discussed during Public Hearings on May 4, 2020 and put before the LIPA Board of Trustees on May 20, 2020 for consideration for adoption. LIPA's Board of Trustees adopted the Tariff Proposal and it became effective as of June 1, 2020.

There are still several other differences between the LIPA service territory and utilities in the rest of the state.

Investor-owned utilities are subject to regulation by the Public Service Commission. LIPA, on the other hand, sets its own rates and regulations and is only subject to "review and recommendations" by the PSC.

The ESCO market is less developed on Long Island than in other parts of the state and ESCOs on Long Island may need to operate under different rules regarding NY Independent System Operator on-island capacity requirements and Long Island Choice Tariff charges and credits.

LIPA is now considering changes to its Long Island Choice Tariff which would simplify the tariff's overly complicated mechanism of charges and credits and replace them with a single non-bypassable charge to cover LIPA's cost obligations for on-island capacity requirements.

⁶⁰<https://www.lipower.org/wp-content/uploads/2020/03/Tariff-Proposal-February-2020-Community-Choice-Aggregation.pdf>

As part of the tariff changes under consideration, LIPA would set the rate for the non-bypassable charge annually rather than making monthly adjustments of charges and credits under the current tariff. This may make it less risky for ESCOs to offer energy supply at a fixed annual rate.

Furthermore, LIPA's contractor, PSEG-LI, currently lacks the ability for "consolidated" billing (issuing a single bill to CCA customers for both ESCO and LIPA/PSEG-LI charges) but LIPA has indicated that single billing will be offered in the future and implementation could begin in 2021.

According to LIPA, municipalities seeking to establish CCA programs will need to submit the required documents to DPS-Long Island which will review and consider the submissions for PSC approval.

J. Department of Public Service - Long Island

New York Governor Andrew Cuomo signed the LIPA Reform Act in July 2013 in order to reorganize electric utilities on Long Island, establish a Long Island office of the Department of Public Service, and provide regulatory oversight and review of the Long Island Power Authority (LIPA) and PSEG Long Island (PSEG LI).

Since opening in 2014, the Department of Public Service – Long Island (DPS-LI) maintains a regional office and is responsible for securing and building accountability and transparency to LI electricity customers. The Department is tasked with obtaining high quality electric service, informing of changes to LI electric service, and overseeing reliable and safe service at reasonable rates.

Of particular focus and areas of responsibility for DPS – LI are:

- Electric Rates
- DPS and DPS LI offer annual reviews of:
 - Emergency preparedness plans
 - Current and future capital expenditure plans
- Long-range planning for electric system
- Oversight of management and operations audits of PSEG LI and LIPA
- Protection of consumer rights and responsibilities including tariff provisions and rate classifications
- Investigation and completion of consumer complaints

Examining Retail Competition on Long Island

On December 31, 2015, the Department of Public Service issued a Notice Requesting Comments with its [Case 15-02754](#) – In the Matter of Examining the Potential Benefits of Retail Competition for Long Island Electric Customers⁶¹. The notice states:

“While the rest of New York State electric customers already have the option to participate in a competitive retail electric market, retail customers in the LIPA service area face barriers that have prevented competition from developing. DPS’s objective in this proceeding is to investigate potential benefits to customers and examine what reforms, if any, are needed to achieve them”,

and further explains that the participatory process in this case will:

“...provide the opportunity for interactive discussions, and conclude with the development of DPS recommendations to the LIPA Board of Trustees.” [emphasis added].

The Notice asked for comments and reply comments were to be filed by May 1, 2016.

However, on May 18, 2016 DPS issued a Notice Further Extending Comment Period until thirty days after resolution of the matters raised in the Order Resetting Retail Energy Markets and Establishing Further Process (Order), issued by the Public Service Commission on February 23, 2016 in Cases 15-M-0127, 12-M-0476 and 98-M-1343.

More than three years later, on December 12, 2019, the Public Service Commission issued its Order in the above cases⁶². DPS will work with stakeholders to develop recommendations on retail competition on Long Island and submit them to the LIPA Board of Trustees.

On March 28, 2019, Legislator Fleming, members of the East Hampton Town Sustainability Committee and a representative of Assemblyman Fred Thiele attended a meeting at the Long Island offices of New York State Department of Public Service. The purpose was to discuss Community Choice Aggregation and the possibility of bringing it to Long Island. The meeting made clear certain points, specifically that LIPA had no objections to the creation of CCAs within the LIPA service territory.

Additionally, under the LIPA Reform Act and Public Authorities Law, a petition may be filed with the NYS Department of Public Service-Long Island who may then make an endorsement to the LIPA Board, similar to the process in forming CCAs in other parts of New York State.

A letter summarizing this meeting was sent to Tom Falcone, CEO of LIPA; Guy Mazza, Director of DPS-LI; and their staff members. See Appendix J.

⁶¹ Case 15-02754 can be accessed at

<http://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=15-02754>

⁶² The December 12, 2019 PSC Order is available (.pdf) at

<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={4A5831AF-ED8D-40CC-B55F-7287209BF825}>

Opt-Out Community Distributed Generation (CDG) and CCA

“Opt-Out CDG” is an arrangement where Community Choice Aggregation (CCA) customers are automatically enrolled into CDG projects from which they can choose to opt-out. Automatic enrollment of CCA customers in an opt-out CDG project such as a community solar array significantly reduces cost of customer acquisition and project financing. Consolidated billing enables the allocation of utility bill credits from one or more CDG projects to all or a group of CCA customers and would also likely help to reduce costs. Opt-Out CDG offers significant benefits to CCA customers because it can reduce uncertainty, lower costs, and open a large market for local renewables.⁶³

CCAs planning to integrate CDG into their program offerings are required to conduct additional customer outreach, and organize a CDG focused outreach meeting prior to mailing opt-out letters to residents.⁶⁴

If a CCA administrator contracts power from a CDG project, customers within the CCA’s jurisdiction are automatically enrolled into that project on an opt-out basis. The alternative to an opt-out CDG project that is within a CCA program is a CDG project not part of a CCA program, in which customers have to opt-in. This means that if an ESCO is developing a CDG project outside a CCA’s jurisdiction, they have to hire a third-party administrator to handle the solicitation of potential subscribers and upkeep of their customer records. As there are currently no municipalities on Long Island that at the time of this report have instituted CCA, any potential CDG project on Long Island must first find committed customers for their electricity production. This can be a time-consuming and costly process.

DPS CCA Proceeding Matter 14-M-0224

The following section outlines the Proceeding on Motion of the Commission to Enable Community Choice Aggregation Programs [Case 14-M-0224](#)

On December 15, 2015 the New York State Public Service Commission (PSC) issued its [Order Instituting Proceeding and Soliciting Comments](#)⁶⁵ in Case 14-M-0224. The Commission also attached a staff White Paper to its Order allowing commenters, with sufficient background, to provide specific and useful statements.

Prior to the Order the Commission had instituted several proceedings to “reform New York State’s energy industry and regulatory practices to, among other things, promote deeper penetration of

⁶³ See Petition Requesting Additional NY-Sun Program Funding and Extension of Program through 2025 In NY PSC Cases 03-E-0188 & 14-M-0094 submitted 11/25/2019 By NYSERDA:

<http://documents.dps.ny.gov/public/MatterManagement/MatterFilingItem.aspx?FilingSeq=236452&MatterSeq=44959>

⁶⁴ See i.e. pg. 9 of the DPS CCA Guidance Document at <https://www.nyseda.ny.gov/-/media/Files/Programs/Clean-Energy-Communities/CCA-Guidance-Documents/DPS---August-2019.pdf>

⁶⁵ The Order is at <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={BDB4EB41-3E10-4BD0-AC6D-97EB40F7798D}>

renewable energy resources such as wind and solar and wider deployment of distributed energy resources as well as to examine the retail energy markets and increase participation of and benefits for residential and small non-residential customers in those markets.”

Department of Public Service (DPS) staff had gathered substantial information on policies and models used in other jurisdictions and presented this information to the Commission, including Community Choice Aggregation which, as the Commission wrote, “may offer benefits in New York”.

The Order discussed the potential for enabling CCA in New York, including a discussion of legal issues and necessary changes to the Uniform Business Practices (UBP) and potential benefits and risks of CCA. Further information on benefits, risks, and consumer protections possible in CCA appears in the Staff White Paper along with a potential structure for CCAs in New York.

Since the Order was issued, more than 533 documents have been filed in this case, all of which can be accessed via the DPS online Matter Master system⁶⁶.

Guy Mazza, Director of the DPS Long Island, provided comments to the Suffolk County CCA Task Force in a letter dated September 3, 2020 (Appendix J). Therein he outlines the next steps for the DPS as it relates to their regulatory procedures and intention to re-initiate participatory proceedings. In that letter, Director Mazza specifically states:

“The process to be followed by a CCA Administrator for approval of CCA development on Long Island is one of the primary areas of interest addressed in the Report. DPS has been working to develop the concrete procedural steps to be taken by a CCA Administrator, PSEG LI and LIPA, with respect to the submission to DPS and its review of a Municipality’s CCA Administrator filings and we expect this process to be finalized in the near term. We expect this process to reflect clear procedural steps and associated timelines for DPS review.” (Appendix J)

Director Mazza also states that due to issues related to Cases 15-M- 0127, 12-M-0476, and 98-M-1343, the PSC on December 12, 2019 issued an Order Adopting Changes to the Retail Access Energy Market and Establishing Further Process. This Order was subject to various petitions seeking rehearing and therefore the DPS intends to re-initiate the participatory proceeding so that the Commission will address petitions made. “It is expected that the result of this proceeding will address and inform many of the issues raised by the CCA Task force in its Report.” (Appendix J)

LIPA Debt and Shoreham

LIPA debt is managed according to LIPA Board policies and approved financial plans. As a non-profit public power utility, LIPA has access to low-cost tax-exempt financing, an advantage not available to investor-owned utilities. As of 2019, LIPA and its Utility Debt Securitization Authority (USDA) had a

⁶⁶ Case 14-M-0224 is at <http://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=14-m-0224>

combined debt of about \$8.4 billion⁶⁷, some of which resulted from the assumption of LILCO debt in 1998, including debt related to the construction of the Shoreham nuclear power plant (which has since been refinanced) and, more significantly, debt associated with all of the assets that comprise the Long Island electric grid. Debt related to the acquisition of Shoreham has been paid down consistently each year and LIPA expects it to be fully paid off in 2034^{68 69}, pursuant to scheduled principal and interest payments. LIPA's annual debt service for 2019 is projected to be \$767,282,000⁷⁰. This amount accounts for almost 22% of its total revenue requirement, which is the basis for setting rates, and almost 45% of LIPA's revenue requirement not related to power supply.

Because debt service is part of the embedded cost of the grid through which electricity is delivered, it is included in the delivery charges on a customer's bill (not the power supply charges). CCA customers within Suffolk County would not be able to avoid paying this debt by switching over to a CCA program provided by a local municipality which purchases power from an ESCO. The debt service is recouped from customers through the "delivery and system charges", not the power supply charges of the bill. However, joining a CCA could potentially result in a customer paying lower power supply charges, if the CCA is able to procure lower cost power from an ESCO.

LIPA Long-term PPAs

Much of LIPA's power generating capacity is secured through long-term PPAs. This is because the New York Independent System Operator (NYISO), for reliability purposes, requires LIPA to guarantee that a specific amount of capacity is available on Long Island. In fact, the amount of capacity required to be physically located in LIPA's service territory is nearly 100% of its forecast peak load for any given year. This level of required capacity has been roughly the same since the inception of the NYISO in 1998. This requirement can be met by either owning a capacity resource or contracting with an owner of a capacity resource. Since LIPA does not own generation resources the only option is to enter into contracts for those resources.

At the time the PPAs were entered into (and to this day), the wholesale capacity prices on Long Island were not high enough to induce third parties to build new generation (i.e. "merchant" generators). In order for LIPA to secure sufficient capacity to meet its reliability requirements and to ensure some measure of cost stability, LIPA entered into long-term bilateral contracts with generation resource owners. As a result, ESCOs, CCAs, and their customers participating in Long Island Choice receive on-island capacity from LIPA and must pay LIPA for it, while other power supply components such as off-

⁶⁷ According to its 2020 Budget, LIPA's 2019 debt was about \$3.892 billion, and its USDA debt was about \$4.009 billion, See Long Island Power Authority 2020 Budget, Section II, pg. 23 at <https://www.lipower.org/wp-content/uploads/2019/12/8.-Approval-of-2020-Budget-and-Amendments-to-2019-Budget-1.pdf>

⁶⁸ See Official Statement for the 1998A bonds, at pages 1-3 and 1-6. These tables include all of LIPA's debt at the time of the original acquisition (including but not limited to Shoreham-related debt), and the plan of finance reflecting that principal and interest payments cease in 2034.

<https://www.lipower.org/wp-content/uploads/2016/09/1998A.pdf>

⁶⁹ [Official Statement for LIPA 1998A bonds](#),

⁷⁰ See LIPA Proposed 2020 Budget, Section 2, page 3 https://www.lipower.org/wp-content/uploads/2019/11/LIPA_2020Budget-11-11-WEB-1.pdf

island capacity, energy, and ancillary services may be procured from the wholesale market or through bilateral contracts. The fixed cost components of PPAs are imposed on customers as non-bypassable charges through LIPA's Long Island Choice Tariff.

Cost Allocation between Power and Delivery Portion of Electric Bill

Under a CCA program, CCA customers purchase power from the ESCO(s) selected by the CCA Administrator but would still pay delivery charges to LIPA. Since LIPA's infrastructure is being used to distribute the power provided by the ESCO, two separate entities have to be paid for what was originally handled exclusively by LIPA.

LIPA vs. CCA Customer Bill Schematic

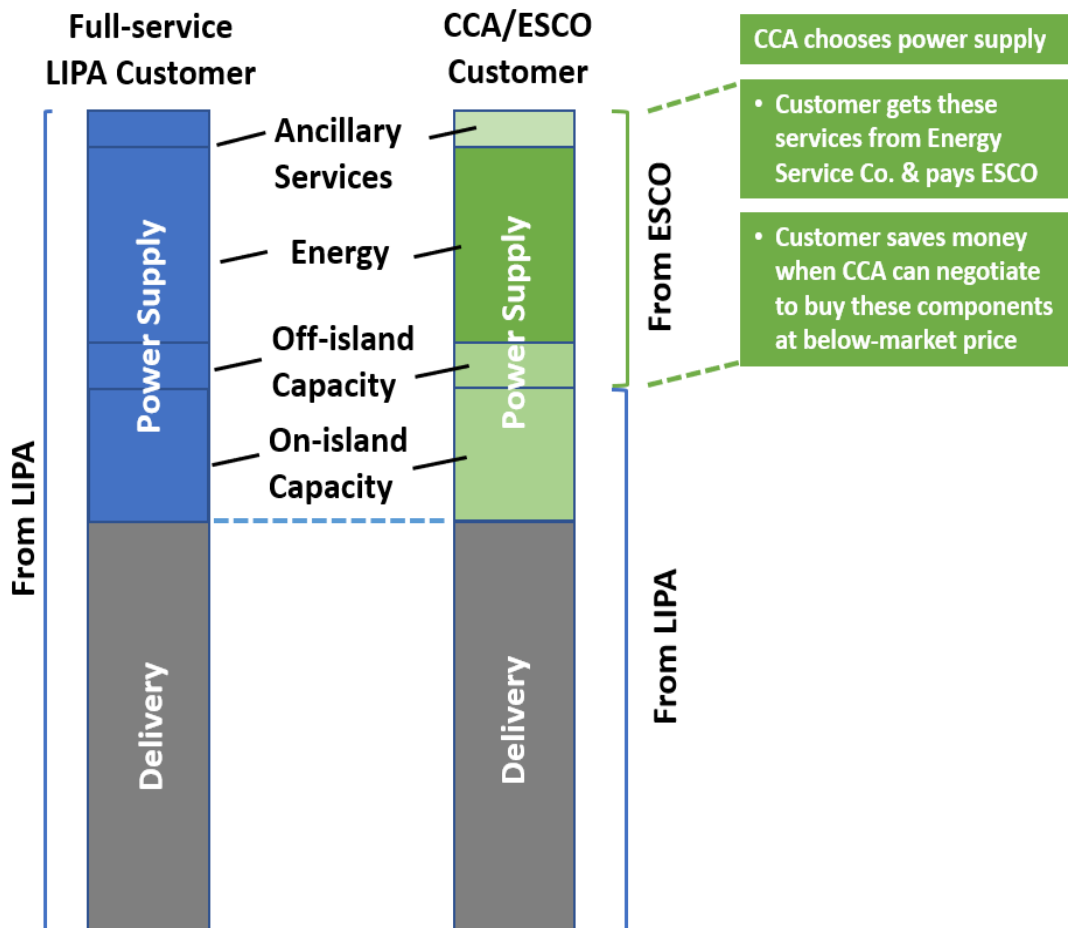


Figure 9: Schematic comparison of LIPA vs. CCA delivery and power supply customer bill portions (not to scale). Courtesy of Town of East Hampton, NY.

Single Bill Capability

As stated above, the following question was asked to LIPA by the Suffolk County CCA Task Force:

Q: “Will LIPA or its contractor PSEG-LI be able to provide a single bill to CCA customers which contains billing for both delivery charges and ESCO supply charges and allow customers to make a single payment for both charges?”

- LIPA stated that there is a considerable cost related to the IT infrastructure required to put in place for the consolidation of billing to CCA customers. They would be able to provide consolidated billing for CCA customers only if there was a large enough market on Long Island to do so. The size of that market has not yet been defined. An example provided was that if only a single small municipality, like a village, successfully developed CCA, it would not provide the necessary number of customers to invest in consolidated billing.
- LIPA has since heard from several municipalities interested in consolidated billing and has requested that PSEG Long Island include consolidated billing in its 2021 information technology budget and work plan.

Natural Gas Supply

Long Island’s natural gas supply is provided almost exclusively by National Grid. National Grid, whose rates have risen for the past three consecutive years and are slated to increase yet again are subject to CCAs as well as LIPA and PSEG Long Island. The utility has asked the state Public Service Commission for an additional 7 percent hike for the coming year. This has caused certain Long Island Municipalities to explore natural gas CCA.

In August of 2019 The Town of Hempstead unanimously approved a Community Choice Aggregation agreement that, once implemented, could cut natural gas rates by as much as 5 to 8 percent for the town’s 174,000 households currently served by National Grid.⁷¹ With passage of this measure, the Town of Hempstead has become the first town on Long Island to pool its purchasing power through a CCA model.

Limitations to CCA in New York State

Most CCAs have been implemented where the utility is an Investor Owned Utility (IOU). On Long Island, LIPA is a municipal subdivision of the State of New York which owns the electric transmission and electric distribution system. LIPA’s public-private business model provides advantages, including LIPA’s not-for-profit status which provides tax exemptions and access to low-cost financing. ESCOs providing power to those on Long Island through CCAs would be subject to all state and federal taxes, so it may provide a cost barrier from certain ESCOs to outperform LIPA’s electricity prices.

⁷¹Hempstead Town may drop National Grid to save millions on gas bills for homes, businesses, (July 30, 2019) <https://www.newsday.com/long-island/nassau/national-grid-natural-gas-supplier-rates-customers-1.34465171>

Sales Tax

Until as recently as 2019, ESCOs were exempted from charging commercial customers state and local sales tax which provided significant savings to those customers. In the summer of 2019, the state legislature eliminated this exemption.⁷²

According to [LIPA's 2020 Proposed Budget](#)⁷³ and 2021 Projected Budgets, LIPA expects \$83.2 million in decreased ESCO revenue in 2020 compared to 2019 related to the elimination of the sales tax exemption which occurred in July of 2019. LIPA states that “as a result, many ESCOs left the market transferring these accounts back to LIPA as commercial retail customers”.

K. Feasibility of Establishing CCA in Suffolk County

This Report shows that CCA is feasible in Suffolk County. There are, however, considerable challenges that must be overcome in order to implement CCA. The ability of a CCA to procure energy at a savings to consumers is limited by: 1) recent legislation that requires ESCOs to collect sales tax, 2) transmission systems that limit the ability to deliver energy from providers not located on Long Island, 3) approval process of siting new generation and transmission or distribution resources, and 4) lack of currently available on-island capacity.

The first two issues will require several years to overcome, with the first possibly intractable to solve. The second impacts not only the ability to establish a CCA on Long Island, but any program that seeks to import renewable energy from resources not located on Long Island. As such, increasing demand for clean energy will increase the need for infrastructure, and could provide important incentives for infrastructure expansion.

Long Island based capacity generation is a New York Independent System Operator (NYISO) requirement for any ESCO that sells electricity on Long Island. Essentially, there must be a capacity resource located on Long Island that meets the electric capacity needs of the ultimate consumers of the ESCO. This can be accomplished either by contracting with an existing resource, or directly owning a resource on Long Island and allocating the necessary capacity to the load served by the ESCO.

Although siting issues for scalable energy production may present challenges, there may be less direct objection to projects associated with a CCA program, particularly if a proposed project were located in the community where the CCA is established, since there would be a direct benefit to consumers within that community and the project would therefore invite community buy-in.

⁷² See i.e. Newsday Nov. 24, 2019: Electric supply competition quietly fades away on LI, by Mark Harrington. <https://www.newsday.com/long-island/politics/energy-service-companies-lipa-1.38808454>

⁷³ See LIPA Budget, Section II, page 7 at <https://www.lipower.org/wp-content/uploads/2019/12/8.-Approval-of-2020-Budget-and-Amendments-to-2019-Budget-1.pdf>

Role(s) for Suffolk County

Coordination and administrative role

County governments may actively encourage and coordinate the municipalities within the county to form an inter-municipal CCA, and even work to support that CCA in an administrative role. Counties are not authorized to create CCA independently of villages, towns and cities within the county. While Suffolk County cannot create a county-wide CCA, it could choose to coordinate, and serve in an administrative role for municipalities which have adopted enabling CCA legislation and do not want to select a private sector administrator. However, the County would need to have qualified staff or hire a contractor with CCA administration qualifications to fulfill this function. This service could potentially be provided through the Suffolk County's Shared Services Initiative (see below).

Other Roles

- Suffolk County government could serve as a clearinghouse for regional CCA information and maintain an updated list of resources and contacts.
- Suffolk County could actively encourage municipalities in the county to collaborate and form inter-municipal CCAs.
- Suffolk County could offer municipalities shared services related to CCA through its Shared Services Initiative, SuffolkShare.⁷⁴

IV. Findings

A. Potential Benefits of CCA

Financial Benefits to Customers

Cost savings for ratepayers have been achieved through the CCA model. CCAs have successfully negotiated lower rates across the country as well as in New York, most notably in Westchester County.⁷⁵

⁷⁴ See <https://appt.suffolkcountyny.gov/Portals/0/countyexecutive/PDF/SuffolkAmendedSSIPlan.pdf> for a description of service offerings and committees. See also https://appt.suffolkcountyny.gov/Portals/0/countyexecutive/PDF/SS_transmittalletterFINAL.pdf

⁷⁵ Sec I. Community Choice Aggregation, Section B. History of CCAs, Westchester Pilot; Section C. Overview of Other States with CCA; Section E. Overview of other states with CCA programs

Other municipalities exploring CCAs have found however that significant savings were not attainable.⁷⁶ And leaders of Sustainable Westchester, New York's first CCA, have noted that although the CCA was able to achieve savings in its early years, such savings are not guaranteed.⁷⁷

Nonetheless, regardless of whether cost savings can be realized, CCAs do offer greater rate stability through longer-term fixed rate procurement, which is not subject to the fluctuations of fossil fuel prices. CCAs typically enter into longer-term power supply contracts with ESCOs, providing customers with more predictable budgeting of year-over-year energy expenses.⁷⁸

In addition, CCAs that go beyond procurement of lower cost energy by offering additional energy efficiency, demand reduction, or solar bulk purchase programs help participating customers reduce utility bills, keeping more money in the local economy.⁷⁹

Economic Opportunity & Job Creation

The clean energy industry is a burgeoning employment sector, with growth rates almost 3 times that of the overall economy, and potential increased growth if attention is given to training in technical skills and industry-specific knowledge. CCAs that seek to develop local energy generation like community solar arrays, larger solar farms, or energy efficiency retrofit programs for buildings, support local job creation and other economic activity, contributing to the economic health of the region.⁸⁰ Further, increased demand for clean energy supply will encourage job growth and the creation of new industries, and will serve to promote economic development by allowing the region to attract, support and retain new businesses.

Community Benefits

Participating communities can benefit in a number of ways, including involvement and representation in decision-making at the local level, and participation in long-term energy planning. Community involvement in planning and supporting a transition to a cleaner, more sustainable and resilient energy system can yield significant long-term benefits.⁸¹

CCA programs and community outreach activities also raise awareness, and promote greater energy literacy and more informed civic engagement on energy issues.⁸²

⁷⁶ See "Communities eyeing renewable choice balk at high cost", Politico (Sept. 3, 2020).

⁷⁷ See Town of East Hampton CCA Webinar, hosted by Town of East Hampton and Renewable Energy Long Island. See section I.C, page_ Figure 4: Residential Rate Comparison, ConEd & Westchester Power (July, 2020) Image provided by: Westchester Power, Rates So Far. <https://sustainablewestchester.org/wp/rates-bills>

⁷⁸ Sec I. Community Choice Aggregation, Section C. Current New York CCA Programs

⁷⁹ Sec I. Community Choice Aggregation, Section B. History of CCAs, NYSEDA Clean Energy Communities; III. How Does "CCA" Work?, Section B. NYS CCA Program Benefits

⁸⁰ Sec II. Background, Section A. NYS's Reforming the Energy Vision, Section C. Benefits of Clean Energy Economy

⁸¹ Sec III. How Does a "CCA" Work, Section A. Key Elements of CCA in NYS; Section B. NYS CCA Program Benefits

⁸² Sec I. Community Choice Aggregation, Section B. History of CCAs, NYSEDA Clean Energy Communities; III. How Does a "CCA" Work, Section A. Key Elements of CCA in NYS

Climate and Environmental Benefits

The CCA model offers local communities the opportunity to engage in critically important action to protect and defend our natural environment. As communities across Long Island experience increasingly detrimental impacts of climate change, interest has grown within local communities to explore ways to reduce fossil fuel emissions. CCAs offering green energy products such as renewable energy sources, and/or programs to improve the energy efficiency of customers' homes and buildings, serve a critical environmental function by helping to reduce emissions of harmful air pollutants and greenhouse gases. CCA will give local communities the opportunity to impact matters of grave importance by taking real action to combat climate change.⁸³

B. Challenges to CCA on Long Island

Challenges to the successful implementation of CCA on Long Island do exist, and must be overcome in order for communities to experience the full benefits of the model. First, the number of ESCOs currently licensed to work with the local utility on Long Island is limited. As of September 25, 2020, there is only one ESCO company licensed to work with PSEG Long Island residential customers and four ESCO companies licensed to work with all PSEG Long Island commercial customers.⁸⁴

Second, LIPA is a public-private nonprofit that provides power supply to customers at LIPA's cost of service. Therefore, in comparison to investor-owned utilities in the rest of New York State, ESCOs on Long Island may find it difficult to offer a competitive energy procurement price, below the price offered by LIPA.⁸⁵

Third, it should also be noted that currently, LIPA purchases almost all of its capacity needs through long-term contracts. The ability of ESCOs to contract with merchant generators for on-island capacity is severely limited by this practice. LIPA's Long Island Choice Tariff includes charges to ESCOs and their customers for on-island capacity which may make it impossible for them to offer a lower price electricity product to Long Island CCAs. While LIPA is now considering changes to the tariff that would simplify how ESCO and CCA customers are charged for on-island capacity, such changes will not resolve the financial challenge to ESCOs resulting from on-island capacity charges.

Fourth, the Public Service Commission has limited the products ESCOs can offer in New York. This requires them to make additional disclosures to regulators and require comparisons to utility prices on a

⁸³ Sec III. How Does "CCA" Work?, Section B. NYS CCA Program Benefits

⁸⁴ Sec III. How Does "CCA" Work?, Section H. Long Island Choice Program & Green Choice

⁸⁵ Sec III. How Does "CCA" Work?, Section J. Department of Public Service - Long Island; Section K. Feasibility of Establishing CCA in Suffolk County

customer's bill. This requires all ESCOs to clearly show each customer how much he or she is being charged for what service.⁸⁶

Finally, as of October 2020, it is not clear whether responsive bids could be obtained by Long Island CCAs from ESCOs offering a competitive price.⁸⁷

V. Recommendations

A. Recommended Actions for the Suffolk County Legislature

1. As suggested by DPS Long Island, the Suffolk County Legislature should consider participating in proceedings with relevance to CCAs and ESCOs matters (i.e. Public Service Commission cases 15-02754, 15-M-0127, 12-M-0476, and 98-M-1343) and any other relevant proceedings. (See Appendix J: DPS Correspondence with Suffolk County CCA Task Force);
2. Establish clearinghouse webpages for regional CCA resources;
3. Consider offering shared services for CCAs in Suffolk County under the County's Shared Services Initiative;
4. Consider actively encouraging and coordinating the municipalities within the county to form an inter- municipal CCA and working to support that CCA in an administrative role;
5. Consider petitioning the NYS PSC to seek a determination from the NYS Department of State as to whether it would be inconsistent with General Municipal Law to enable counties to pass local authorizations for CCA, form a CCA, and sign contracts on behalf of member municipalities to reduce the amount of redundancy and inefficiency when small, resource-constrained municipalities in NYS try to aggregate.⁸⁸

B. Other Recommendations

LIPA and PSEG-LI

As part of the Task Force Report, several discussions were held with LIPA regarding the possibility of adopting a CCA tariff substantially compliant with the CCA Framework Order. An earlier draft of this Report contained that recommendation. As noted earlier, the LIPA Board of Trustees, after a public

⁸⁶ Sec III. How Does "CCA" Work?, Section J. Department of Public Service - Long Island

⁸⁷ Sec III. How Does "CCA" Work?, Section J. Department of Public Service - Long Island; Section H. Long Island Choice Program & Green Choice

⁸⁸ See CEAC Subgroup, Table 5-1, pg. 48 for this recommendation made by some, but not all subgroup members, in the CCA Policy Recommendations Report dated January 12, 2018 is at <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={2A179490-1C62-4CDB-A7B9-833C72CF3FC7}>

hearing held on May 4, 2020, was considering adopting such Tariff provisions May 20, 2020. The Task Force gratefully acknowledges that LIPA did adopt a CCA tariff with an effective date of June 1, 2020. The following recommendations are to ensure proper implementation of the adopted tariff:

1. LIPA and PSEG-LI should ensure that its customer billing system can offer single-bill functionality for CCA customers and allow customers to make a single payment for all charges;
2. LIPA should amend its Long Island Choice Tariff by combining the overly complicated LI Choice Bill Credit calculations into one single charge and consider eliminating any charges found to be unnecessary;
3. LIPA should examine opportunities to overhaul existing regulations and eligibility requirements for ESCOs in its service territory and adopt customer protection rules similar to the December 2019 NYS PSC Order in Case 15-M-0127⁸⁹;
4. LIPA should work with DPS-LI to identify and implement ways to allow for a viable and more competitive ESCO retail market on Long Island and to address current barriers including the fact that LIPA is purchasing about 90% of capacity needs through long-term contracts thereby limiting the ability of ESCOs to contract with merchant generators;
5. LIPA should seek to reduce the cost incurred and resulting charges for on-island capacity (for all customers, including ESCO/CCA customers);
6. LIPA should complete its Community Distributed Generation (CDG) net credit billing commitment;
7. LIPA should establish net credit billing for remote net metered CDG projects;
8. LIPA and PSEG-LI should ensure that semi-annual energy data reporting is posted in a timely manner on the Utility Energy Registry (UER) [portal](#).⁹⁰

DPS & DPS-LI

Based on the Suffolk County CCA Task Force Report, the Task Force believes DPS & DPS-LI should take the following actions:

1. DPS-LI should work with LIPA to identify and implement ways to allow for a viable and more competitive ESCO market on Long Island and to address regulatory and market barriers (See G) above;

⁸⁹ See PSC Order at <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={4A5831AF-ED8D-40CC-B55F-7287209BF825}> and PSC Press Release at: <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={11C5FDBA-FA1A-4728-9D35-C537EB55B0F0}>

⁹⁰ As of 1/25/2020 all of the UER listed NYS utilities had data posted through June 2019 while PSEG-LI data was only available through June 2018.

2. DPS-LI should work with LIPA to examine opportunities to overhaul existing regulations and eligibility requirements for ESCO's in its service territory and adopt customer protection rules similar to the December 2019 NYS PSC Order in Case 15-M-0127⁹¹ (See F) above;
3. DPS-LI should periodically review stipulated charges and credits contained in LIPA's CCA relevant tariffs such as the Power Supply Charge Adjustment (Tariff Leafs 206 & 313), Bill Credits for Participating Customers (Tariff Leaf 310), (or a non-bypassable charge if adopted by LIPA) which are used for billing adjustments to customers engaging in a CCA program, in order to ensure that such charges and credits are appropriate and reflect actual costs incurred or avoided by LIPA; (See J) above;
4. DPS-LI should periodically perform audits of LIPA's charges and credits that are contained in the monthly "Statement of Bill Credit Adjustment for the Long Island Choice Program" (as per Leaf 299), or a non-bypassable charge, if adopted by LIPA, which is assumed to be used for billing adjustments for any ESCO participating in a CCA program, to ensure that such charges and credits are appropriate and reflect actual costs incurred or avoided by LIPA; (See J) above;
5. DPS and DPS-LI should work with stakeholders to continue to develop and finalize its recommendations regarding retail competition on Long Island and submit them to the LIPA Board of Trustees for consideration as soon as possible; provided that any changes recommended to be made to Long Island Choice would be fair to all electric customers including those who do not choose to join an ESCO or CCA;
6. Once submitted in Case 15-02754⁹², DPS should review LIPA's Long Island Choice Tariff amendments on an expedited basis and issue a recommendation to LIPA as soon as possible, in order to avoid undue delay of CCA implementation on Long Island;
7. DPS-LI and the PSC should consider policy recommendations made in the CCA Subgroup Report,⁹³ specifically recommendations pertaining to:
 - (1) CCA-relevant customer data access and the Utility Energy Registry (UER). See CEAC Subgroup Report Table 5-1, (pg. 45) for details.
 - (2) Addressing limited availability of / access to funding to cover programmatic offerings such as DER, energy efficiency products and services. This could be achieved by allowing CCAs access to SBC, or similar funds, or by establishing a dedicated fund (possibly by NYSERDA). See CEAC Subgroup Report Table 5-1 (pg. 46) for details.

⁹¹ See PSC Order at <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={4A5831AF-ED8D-40CC-B55F-7287209BF825}> and PSC Press Release at:

<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={11C5t?FDBA-FA1A-4728-9D35-C537EB55B0F0}>

⁹² 15-02754 - In the Matter of Examining the Potential Benefits of Retail Competition for Long Island Electric Customers <http://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=15-02754&submit=Search>

⁹³ The CCA Policy Recommendations Report dated January 12, 2018 is at <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={2A179490-1C62-4CDB-A7B9-833C72CF3FC7}>

- (3) Addressing limited billing options for CCA services. See CEAC Subgroup Report Table 5-1 (pg. 46) and Table 5-2 for details.
- (4) Addressing the fact that the size of municipalities can limit a CCA's bargaining power and ability to gain traction. This could be addressed by allowing counties to form CCAs and sign contracts on behalf of member municipalities. See CEAC Subgroup Report Table 5-1 (pg. 48) for details.

NYSERDA & NYPA

As part of the Suffolk County CCA Task Force Report, the Task Force believes NYSERDA, and NYPA, respectively, should take the following actions:

1. NYSERDA should expand its technical and financial assistance to municipalities and communities seeking to establish CCA programs.
2. NYSERDA should consider establishing a dedicated fund to support the development and operation of value-added CCA programs such as energy efficiency, demand response, and bulk-purchase initiatives. See CEAC Subgroup Report Table 5-1 (pg. 45) for details.
3. NYSERDA already has a useful CCA toolkit but may want to expand it and add a CCA Handbook and consider other additions as per suggestions made in Appendices F and G of the Report from the CCA Subgroup⁹⁴ of the Clean Energy Advisory Council⁹⁵.
4. NYSERDA should also consider applicable non-policy recommendations made to address limitations and challenges and to enhance CCA capabilities and benefits. These recommendations can be found in Appendix C in tables D-1 through D-5 of the CCA Subgroup Report.
5. NYSERDA should support efforts to establish a statewide CCA peer-to-peer network and industry association.
6. NYPA may seek to market a program to finance and build local renewable energy projects for CCA municipalities and its customers as authorized by legislation adopted in 2019⁹⁶ under which NYPA is now authorized to finance and develop, alone or jointly with other entities, renewable energy projects for CCAs municipalities and its residents.
7. NYPA may similarly roll out and market a CCA supply program which includes 100% renewable energy supply. As part of the above legislation, NYPA has also been authorized to offer lower cost bundled retail electricity supply to CCA administrators through ESCOs and to procure other energy or related products to CCA municipalities or its residents.

Municipalities

⁹⁴ The CCA Policy Recommendations Report dated January 12, 2018 is at <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={2A179490-1C62-4CDB-A7B9-833C72CF3FC7}>

⁹⁵ As established in Matter 16-01010 – In the Matter of the CEAC's Voluntary Investment & Other Market

⁹⁶ Since late 2019, NYPA has been authorized to finance and develop, alone or jointly with other entities, renewable energy projects for CCAs municipalities and its residents. See NYS Executive Budget, Section S1508/A2008, Parts KK & LL: <https://www.nysenate.gov/legislation/bills/2019/a2008/amendment/original>

As part of the Suffolk County CCA Task Force Report, the Task Force believes municipalities should take the following actions:

1. Municipalities should consider CCA as a potentially powerful tool to offer 'green' electricity at competitive and stable pricing to customers in their jurisdiction. Additionally, CCA may also be used to offer other value-added services (see recommendation 3. below).
2. Municipalities adopting a CCA program should seek to offer at least one green energy product with 100 percent renewable energy as part of a roster of products, and preferably as the default product. All Renewable Energy Credits (RECs) must comply with NYS regulations, be retired on behalf of the municipality and be tracked by [NYGATS](#)⁹⁷.
3. Municipal CCAs should consider offering local programs such as offering bulk purchase opportunities to customers interested in solar electric systems (aka Solarize programs), electric vehicles, energy storage systems, access to community solar, energy efficiency, smart energy management programs and other clean energy initiatives. Municipalities should work with NYSERDA to establish a funding source for such programs.
4. Municipal CCAs should offer consumer-friendly terms allowing customers to opt out and return to the incumbent utility provider without having to pay a penalty or fee.
5. Municipal CCA programs should conduct a broad and effective public education and outreach program to inform the public about all aspects of a CCA program. This process should start at the point where a municipality begins to consider CCA as an option.
6. Municipalities could also consider alternatives to CCA programs, such as offering an opt-out green electricity product (via Renewable Energy Credits). This may be possible by designating large-scale renewable energy projects such as a solar farm or offshore wind project as an opt-out Community Distributed Generation (CDG) project.
7. Municipalities should join New York State's [Clean Energy Communities](#) (CEC) program and seek to become a designated Clean Energy Community by completing High Impact Actions. This allows access to technical assistance and grant opportunities offered by NYSERDA. Establishing a CCA and offering a default 100% renewable energy product qualifies as a High Impact Action.⁹⁸
8. Municipalities should consider the economic opportunity and the possible job creation in clean energy and the broader economic development this industry brings to a community. The [2019 NY Clean Industry Energy Report](#)⁹⁹ shows evidence of the strong clean energy workforce opportunities that are providing good paying jobs, cleaner air, and a more sustainable environment on Long Island and throughout New York State.

⁹⁷ New York Generation Attributes Tracking System: <https://www.nyserda.ny.gov/All-Programs/Programs/NYGATS>

⁹⁸ More about the Clean Energy Communities program is at <https://www.nyserda.ny.gov/All-Programs/Programs/Clean-Energy-Communities>

⁹⁹ The Report is available at <https://www.nyserda.ny.gov/-/media/Files/Publications/Clean-energy-industry/2019-ny-clean-energy-industry-report.pdf>. A two-page fact sheet is at <https://www.nyserda.ny.gov/-/media/Files/Publications/Clean-energy-industry/2019-ny-clean-energy-industry-fact-sheet.pdf>

9. Municipalities with an interest in CCA should encourage NYSERDA to support the formation of, and join, a statewide CCA peer-to-peer network and industry association once established.
10. Municipalities should consider including prevailing wage requirements and prioritization of local labor when issuing RFPs for energy infrastructure development

Communities

As part of the Suffolk County CCA Task Force Report, the Task Force believes communities should take the following actions:

1. Communities, their civic organizations, advocates and leaders, should seek information about CCA as a potential tool to educate their community about energy issues, offer more and better energy choices, and facilitate the transition to a more distributed, renewable and resilient energy system.
2. Communities should inform and encourage their elected officials to join NYSERDA's Clean Energy Community ("CEC") program and to implement at least four of the ten High Impact Actions (including a CCA program), in order to have access to technical and financial support as well as access to CEC Coordinators.¹⁰⁰
3. Communities should contact existing CCAs in their utility service territory or across NYS in order to learn from their experience.
4. Communities with an interest in CCA should consider joining a statewide CCA peer-to-peer network and industry association once established.

VI. Conclusion

"One must learn by doing the thing, for though you think you know it, you have no certainty until you try" -Sophocles, 400 B.C.

The Task Force finds that Community Choice Aggregation puts control of choosing energy supply in local customers' hands. The Suffolk County Task Force Report is a study of this procurement strategy and how it could apply to CCAs on Long Island and particularly in Suffolk County. The Report has been developed to serve as a resource for all Suffolk County communities, towns and villages as they evaluate whether CCA is a powerful tool for an affordable and renewable energy supply and as guidance when developing and implementing CCA programs for their constituents.

The Report examines NYS Regulatory Orders and Cases beginning in 2014 with the Governor's Renewable Energy Vision, "REV". In 2016 the NYS Public Service Commission authorized a "Framework"

¹⁰⁰ More at <https://www.nyserdera.ny.gov/All-Programs/Programs/Clean-Energy-Communities>

for Community Choice Aggregation and designated NYSERDA, as a technical consultant, to assist in customer outreach and CCA development.

CCA supports the Governor's Energy Vision ("REV") for an energy paradigm that is cleaner and more dynamic. It enables communities to determine their own energy pathways in both management and resources. The Report provides Suffolk County leadership, and municipal governments, with information required in developing a CCA program.

As this Report has discussed, there are a variety of barriers to full viability of CCAs statewide and specifically on Long Island, where it remains to be seen whether a more competitive ESCO marketplace will be able to offer services and products at cost-competitive prices.

It is expected that CCA policies and best practices will continue to evolve over time. In fact, as discussed in the Report and some of our recommendations, it is desirable and expected that CCAs will offer a host of value-added services beyond mere power procurement (a concept dubbed CCA 2.0), and possibly even develop to a hyper-local model known as CCA 3.0.

Most importantly for Suffolk County leadership and local communities striving to employ renewable energy resources, the Report supports the conclusion of the 2020 Task Force: **CCA is possible in Suffolk County and offers the promise of invaluable benefits to consumers of electricity, to our economy, and to the environment.**

VII. Appendices

Appendix A: General CCA Resources

1. List of Acronyms and Abbreviations

- AMI - Advanced Metering Infrastructure
- APP - Assistance Program Participants
- CAC - Climate Action Council
- C&I - Commercial and Industrial
- CCA - Community Choice Aggregation
- CCA Order - PSC CCA Order Case 14-M-0224
- CDG - Community Distributed Generation
- CEAC - Clean Energy Advisory Council
- CEC - Clean Energy Communities
- CEF - Clean Energy Fund
- CES - Clean Energy Standard
- CLCPA - Climate Leadership and Community Protection Act
- COG - Councils of Government
- CRES - Certified Retail Electric Supplier
- DER - Distributed Energy Resources
- DG - Distributed Generation
- DOER - Department of Energy Resources
- DPS-LI - Department Public Service - Long Island
- DSIP - Distributed System Implementation Plan
- ESCO - Energy Service Company
- GEA - Government Energy Aggregation
- GHG - Greenhouse Gas
- IMA - Inter-Municipal Agreement
- IOU - Investor-Owned Utility
- LDC - Local Development Corporation
- LIPA - Long Island Power Authority
- LMI - Low-Moderate Income
- LSE - Load Serving Entity
- NYGATS - New York Generation Attribute Tracking System
- NYISO - NY Independent System Operator
- NYPA - NY Power Authority
- NYSEG - New York State Electric & Gas
- NYSERDA - New York State Energy Research and Development Authority
- PPA - Power Purchase Agreement
- PSC - Public Service Commission
- PSEG-LI - Public Service Enterprise Group Long Island
- RECs - Renewable Energy Certificates or Renewable Energy Credits
- REV - Reforming the Energy Vision
- RFI - Requests for Information
- RFP - Request for Proposals
- RPS - Renewable Portfolio Standard
- SB - Senate Bill
- SBC - System Benefits Charge
- SEP - State Energy Plan
- SRECs - Solar Renewable Energy Credits
- UER - Utility Energy Registry
- VDER - Value of Distributed Energy Resources

2. Frequently Asked Questions (adapted from NYSERDA Fact Sheet¹⁰¹)

General Questions

What is Community Choice Aggregation?

- Community Choice Aggregation, (“CCA”), is an energy supply model which gives control to a community for their energy choices. A community can choose renewable or a mixture of energy sources. The market power created by the community allows for the ability to negotiate fixed rates potentially lowering costs to consumers.

What is the role of CCA Administrator?

- The Administrator works for the CCA in bidding for the energy supply. Additionally, the Administrator organizes the program, creates the strategy, and submits all required documentation to the regulatory authority.

Who can participate in a CCA?

- In New York State, all customers of electric and gas investor-owned utilities may join a CCA in a community that has established one.

Where are CCAs already in NY State?

- There are 60+ municipalities in NY State that have formed CCAs. A list is on [Appendix H](#).

How do local utilities fit into a CCA?

- Existing electric utilities continue to supply power, maintain power lines and operations. The law requires utilities provide the same service to all customers regardless of whether they are part of a CCA or not.

Is CCA only about renewable energy?

- Community Choice Aggregation is about choice in energy supply and will be decided by the needs and desires of the community. A CCA can include 100% green energy or a range of energy options with varying prices. The local needs dictate the energy supply choices.

What are the initial steps before forming a CCA?

- Before a CCA can proceed, the Public Service Commission (PSC) Order requires that the CCA submit for approval an Implementation Plan (setting goals, roles, and responsibilities) and a Data Protection Plan (to ensure consumer protections and privacy). In addition, local CCA legislation needs to be filed with the PSC.

¹⁰¹ NYSERDA CCA Fact Sheet <https://www.nyseda.ny.gov/All-Programs/Programs/Clean-Energy-Communities/Clean-Energy-Communities-Program-High-Impact-Action-Toolkits/Community-Choice-Aggregation>

Municipal Questions

Are communities in Suffolk County eligible to participate in CCA?

- On Long Island, within the Long Island Power Authority (LIPA) service territory, energy supply is selected by LIPA. On May 20, 2020, the LIPA Board of Trustees will vote on whether to allow CCA within their service territory.

What is Suffolk County's role in the CCA process?

- Suffolk County can act as a CCA administrator, or provide necessary support for CCA, through the Shared Service Initiative. The County may also establish a clearinghouse for CCA information as it pertains to LIPA's service territory. For the County to form its own CCA, additional legislation and PSC action would be required.

What is the financial responsibility for a municipality that forms a CCA?

- The municipality would be responsible for entering into a contract with a CCA Administrator, or provide for in house administration of a CCA program.

Is local legislation needed before forming a CCA?

- Yes, a municipality that is planning to create a CCA must pass legislation and exercise its Municipal Home Rule Law.

What types of communities can form a CCA program?

- Cities, towns, and villages can form CCAs. They also may join together to pool their buying power.

Does a CCA program offered by a town also apply to village residents?

- A village would have to pass legislation separately to form or join a CCA in order for residents to be able to participate.

Where do communities find help in setting up a CCA?

- NYSDERDA's Clean Energy Communities Program offers grant money and technical assistance to establish CCAs. Visit [Clean Energy Communities Program](https://www.nysderda.ny.gov/All%20Programs/Programs/Clean%20Energy%20Communities)¹⁰² for more information.

¹⁰² NYSDERDA Clean Energy Communities Program
<https://www.nysderda.ny.gov/All%20Programs/Programs/Clean%20Energy%20Communities>

Consumer Questions

How do customers organize and find energy providers?

- Customers should work with their municipality to encourage the establishment of CCA. It is the role of the CCA administrator to facilitate the selection of the energy service provider for the CCA.

How much savings for consumers?

- Despite an objective of securing lower, fixed rate energy pricing, savings are not guaranteed.

Will taxes increase?

- No. Taxes and public funding are not required to form a CCA.

What if a consumer chooses not to join a CCA?

- Participation in a CCA is voluntary. A consumer will have to choose to opt-out within a given time period from the date of the CCA's opt-out letter. At that deadline, if a consumer has not chosen to opt-out they will be included in the CCA.

Are there other options to making my home more energy efficient to save money on utility bills and reduce my carbon-footprint?

- Yes, options are available for making homes more energy efficient or adding solar panels. Several towns within Suffolk County have established committees to help homeowners find programs for efficiency and renewable energy choices. East Hampton Town was the first east coast municipality to adopt a resolution setting community-wide 100% renewable energy goals. East Hampton renewable energy goals and their programs include green building, retrofitting, and community initiatives and can be found at [Energize East Hampton](http://energizeeh.org/east-hampton-100-renewable-energy-goals/).¹⁰³

Appendix B: Long Island CCA Resources

1. Suffolk County Legislature, Resolution Establishing A Task Force To Examine Community Choice Aggregation, [Resolution 170-2019](#)¹⁰⁴
2. Suffolk County's [Suffolk Share Marketplace](#)¹⁰⁵
3. The [LI Choice program](#) ¹⁰⁶

¹⁰³<http://energizeeh.org/east-hampton-100-renewable-energy-goals/>

¹⁰⁴ <https://apps2.suffolkcountyny.gov/legislature/resos/resos2019/i1025-19.pdf>

¹⁰⁵ <https://www.suffolkshare.com/>

¹⁰⁶ <https://www.psegliny.com/myaccount/serviceandrates/lic>

4. LIPA [Open Access Transmission Tariff](#) (Oct. 28, 1999)¹⁰⁷
5. PSEG LI Data¹⁰⁸
 - a. [PSEG Long Island Jan-June 2018](#) (XLSX spreadsheet)
 - b. PSEG Long Island Jul-Dec 2018 (DATA PENDING)

Appendix C: New York State CCA Resources

1. New York State's [Reforming the Energy Vision](#) (REV)¹⁰⁹
2. NYS [Climate Leadership and Community Protection Act](#)¹¹⁰
3. State Of New York, Public Service Commission [Case 14-M-0101](#)¹¹¹: Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision
4. NYS PSC [Framework Order](#)¹¹²
5. [Community Choice Aggregation Policy Recommendations Report](#)¹¹³
6. NYSEDA's [CCA toolkit](#)¹¹⁴
7. [NYSEDA presentation](#): Community Choice Aggregation - A High-Impact Action for the Clean Energy Communities Program¹¹⁵
8. [Utility Energy Registry \(UER\)](#): NYSEDA's utility generated energy consumption data¹¹⁶
9. DPS [CCA Guidance Document](#)¹¹⁷
10. [DPS Community Choice Aggregation Guidance Document](#) (Aug. 2019)¹¹⁸
11. A [NYSEDA template](#) for a CCA Local Law ¹¹⁹ (Full text in Appendix E)

¹⁰⁷<https://www.psegliny.com/aboutpseglongisland/ratesandtariffs/tariffs/-/media/426AF1C91D1440B59F5032E1BC58F4BD.ashx>

¹⁰⁸ <https://www.nyserda.ny.gov/All-Programs/Programs/Clean-Energy-Communities/Community-Energy-Use-Data>

¹⁰⁹ <http://www.rev.ny.gov>

¹¹⁰ <https://climate.ny.gov/>

¹¹¹ <http://www3.dps.ny.gov/W/AskPSC.nsf/All/71BF9B959E12F08A85257FC5005E0679>

¹¹²<https://www.nyserda.ny.gov/All-Programs/Programs/Clean-Energy-Communities/Clean-Energy-Communities-Program-High-Impact-Action-Toolkits/Community-Choice-Aggregation>
<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7bBC85DA51-FF3A-4619-BC81-971BAE24BA60%7d>

¹¹³<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7bBC85DA51-FF3A-4619-BC81-971BAE24BA60%7d>

¹¹⁴<https://www.nyserda.ny.gov/All-Programs/Programs/Clean-Energy-Communities/Clean-Energy-Communities-Program-High-Impact-Action-Toolkits/Community-Choice-Aggregation>

¹¹⁵<https://www.nyserda.ny.gov/-/media/Files/Programs/Clean-Energy-Communities/CEC-Community-Choice-Aggregation-Step-by-Step-Guidance.pdf>

¹¹⁶<https://www.nyserda.ny.gov/All-Programs/Programs/Clean-Energy-Communities/Community-Energy-Use-Data>

¹¹⁷<https://www.nyserda.ny.gov/-/media/Files/Programs/Clean-Energy-Communities/CCA-Guidance-Document-DPS---August-2019.pdf>

¹¹⁸<https://www.nyserda.ny.gov/-/media/Files/Programs/Clean-Energy-Communities/CCA-Guidance-Document-DPS---August-2019.pdf>

¹¹⁹<https://www.nyserda.ny.gov/-/media/Files/Programs/Clean-Energy-Communities/Template-CCA-Authorizing-Legislation.docx>

Appendix D: Federal CCA Resources

1. [NREL Report](#): Community Choice Aggregation: Challenges, Opportunities, and Impacts on Renewable Energy Markets¹²⁰

Appendix E: NYSEDA Template for CCA Authorizing Local Law Legislation¹²¹

Disclaimer: The primary objective of this document is to assist municipalities in drafting a Local Law to facilitate the creation of Community Choice Aggregation programs in New York State. The following information should not be a substitute for legal advice from an attorney familiar with local requirements.

LOCAL LAW NO. [#]-2016

A LOCAL LAW TO ESTABLISH A COMMUNITY CHOICE AGGREGATION (ENERGY) PROGRAM IN THE [CITY, TOWN, or VILLAGE OF _____]

Be it enacted by the [legislative body] of the [City, Town, or Village of _____] as follows:

The Code of the [City, Town, or Village of _____] is hereby amended by adding a new Chapter [#], entitled “COMMUNITY CHOICE AGGREGATION (ENERGY) PROGRAM,” to read as follows:

§1. Legislative Findings; Intent and Purpose; Authority.

- A. It is the policy of both the [City, Town, or Village of _____] (“Municipality”) and the State of New York to reduce costs and provide cost certainty for the purpose of economic development, to promote deeper penetration of energy efficiency and renewable energy resources such as wind and solar, and wider deployment of distributed energy resources as well as to examine the retail energy markets and increase participation of and benefits

¹²⁰O’Shaughnessy, Eric, Jenny Heeter, Julien Gattaciecce, Jenny Sauer, Kelly Trumbull, and Emily Chen. 2019. Community Choice Aggregation: Challenges, Opportunities, and Impacts on Renewable Energy Markets. Golden, CO: National Renewable Energy Laboratory. NREL/TP-6A20-72195. <https://www.nrel.gov/docs/fy19osti/72195.pdf>.

¹²¹<https://www.nyserda.ny.gov/-/media/Files/Programs/Clean-Energy-Communities/Template-CCA-Authorizing-Legislation.docx>

for Eligible Consumers in those markets. Among the policies and models that may offer benefits in New York is Community Choice Aggregation (“CCA”), which allows local governments to determine the default supplier of electricity and natural gas on behalf of Eligible Consumers.

- B. The purpose of CCA is to allow participating local governments to procure energy supply service for Eligible Consumers, who will have the opportunity to opt out of the procurement, while maintaining transmission and distribution service from the existing Distribution Utility. This Chapter establishes a program (“CCA Program”) that will allow the Municipality and other local governments to work together through a shared purchasing model to put out for bid the total amount of natural gas and/or electricity being purchased by Eligible Consumers within the jurisdictional boundaries of participating municipalities. Eligible consumers will have the opportunity to have more control to lower their overall energy costs, to spur clean energy innovation and investment, to improve customer choice and value, and to protect the environment; thereby, fulfilling the purposes of this Chapter and fulfilling an important public purpose.
- C. The Municipality is authorized to implement this CCA Program pursuant to Section 10(1)(ii)(a)(12) of the New York Municipal Home Rule Law; and State of New York Public Service Commission Case No. 14-M-0224, Proceeding on Motion of the Commission to Enable Community Choice Aggregation Programs (issued April 21, 2016) as may be amended, including subsequent Orders of the Public Service Commission (PSC) issued in connection with or related to Case No. 14-M-0224, to the extent that Orders related to Case No. 14-M-0224 enable actions by the Municipality.
- D. This Chapter shall be known and may be cited as the COMMUNITY CHOICE AGGREGATION (ENERGY) PROGRAM Law of the Municipality.

§2. Definitions.

For purposes of this Chapter, and unless otherwise expressly stated or unless the context otherwise requires, the terms in this Chapter shall have the meanings employed in the State of New York Public Service Commission’s Uniform Business Practices or, if not so defined there, as indicated below:

- A. AGGREGATED DATA shall mean aggregated and anonymized information including the number of consumers by service class, the aggregated peak demand (kW) (for electricity) by month for the past 12 months, by service class to the extent possible, and the aggregated energy (kWh) for electricity or volumetric consumption for gas by month for the past 12 months by service class.
- B. CCA ADMINISTRATOR shall mean [The city / town / village of _____ or third party CCA Administrator] duly authorized to put out for bid the total amount of electricity and/or

natural gas being purchased by Participating Consumers. CCA Administrator is responsible for Program organization, administration, procurement, and communications, unless otherwise specified.

- C. CUSTOMER SPECIFIC DATA shall mean customer specific information, personal data and utility data for all consumers in the municipality eligible for opt-out treatment based on the terms of PSC CCA Order and the CCA program design including the customer of record's name, mailing address, telephone number, account number, and primary language, if available, and any customer-specific alternate billing name, address, and phone number.
- D. DATA SECURITY AGREEMENT shall mean an agreement between the Distribution Utility and the Municipality that obligates each party to meet, collectively, (i) all national, state and local laws, regulations or other government standards relating to the protection of information that identifies or can be used to identify an individual Eligible Consumer with respect to the CCA Administrator or its representative's processing of confidential utility information; (ii) the Distribution Utility's internal requirements and procedures relating to the protection of information that identifies or can be used to identify individual Eligible Consumer with respect to the CCA Administrator or its representative's processing of confidential utility information; and (iii) the PSC CCA Order and PSC rules, regulations and guidelines relating to confidential data.
- E. DEFAULT SERVICE shall mean supply service provided by the Distribution Utility to consumers who are not currently receiving service from an energy service company (ESCO). Eligible Consumers within the Municipality that receive Default Service, and have not opted out, will be enrolled in the Program as of the Effective Date.
- F. DISTRIBUTED ENERGY RESOURCES (DER) shall mean local renewable energy projects, shared renewables like community solar, energy efficiency, demand response, energy management, energy storage, microgrid projects and other innovative Reforming the Energy Vision (REV) initiatives that optimize system benefits, target and address load pockets/profile within the CCA's zone, and reduce cost of service for Participating Consumers.
- G. DISTRIBUTION UTILITY shall mean owner or controller of the means of distribution of the natural gas or electricity that is regulated by the Public Service Commission.
- H. ELIGIBLE CONSUMERS shall mean eligible customers of electricity and/or natural gas who receive Default Service from the Distribution Utility as of the Effective Date, or New Consumers that subsequently become eligible to participate in the Program, at one or more locations within the geographic boundaries of the Municipality, except those consumers who receive Default Service and have requested not to have their account information shared by the Distribution Utility. For the avoidance of doubt, all Eligible Consumers must reside or be otherwise located at one or more locations within the

geographic boundaries of the Municipality, as such boundaries exist on the effective date of the ESA.

- I. ESCO or ENERGY SERVICES COMPANY mean an entity duly authorized to conduct business in the State of New York as an ESCO.
- J. NEW CONSUMERS shall mean consumers of electricity that become Eligible Consumers after the effective date of the ESA, including those that opt in or move into Municipality.
- K. PARTICIPATING CONSUMERS shall mean Eligible Consumers enrolled in the Program, either because they are consumers who receive Default Service from the Distribution Utility as of the Effective Date and have not opted out, or are New Consumers.
- L. PROGRAM ORGANIZER shall mean the group responsible for initiating and organizing the CCA. This group will typically secure buy-in from local governments and engage in preliminary outreach and education around CCA. The Program Organizer may be a non-profit organization, local government, or other third party. The Program Organizer and the CCA Administrator may be the same.
- M. PSC CCA ORDER shall mean the PSC's Order Authorizing Framework for Community Choice Aggregation Opt-Out Program, issued on April 21, 2016 in Case 14-M-0224, "Proceeding on Motion of the Commission to Enable Community Choice Aggregation Programs."
- N. PUBLIC SERVICE COMMISSION or PSC shall mean New York State Public Service Commission.
- O. SUPPLIERS shall mean ESCOs that procure electric power and natural gas for Eligible Consumers in connection with this Chapter or, alternatively, generators of electricity and natural gas or other entities who procure and resell electricity or natural gas.

§3. Establishment of a Community Choice Aggregation (Energy) Program.

- A. A Community Choice Aggregation (Energy) Program is hereby established by the Municipality, whereby the Municipality may implement a CCA Program to the full extent permitted by the PSC CCA Order, as set forth more fully herein.
- B. The Municipality may act as aggregator or broker for the sale of electric supply, gas supply, or both to Eligible Consumers and may enter into contracts with one or more Suppliers for energy supply and other services on behalf of Eligible Consumers.
- C. The Municipality may enter into agreements and contracts with other municipalities, non-profits, consultants, and/or other third parties to i) develop and implement the CCA Program, ii) act as CCA Administrator, and/or iii) develop offers of opt-in distributed

energy resources (DER) products and services to Participating Consumers, including opportunities to participate in local renewable energy projects, shared solar, energy efficiency, microgrids, storage, demand response, energy management, and other innovative Reforming the Energy Vision (REV) initiatives and objectives designed to optimize system benefits, target and address load pockets/profile within the CCA zone, and reduce costs for CCA customers.

- D. The operation and ownership of the utility service shall remain with the Distribution Utility. The Municipality's participation in a CCA Program constitutes neither the purchase of a public utility system, nor the furnishing of utility service. The Municipality shall not take over any part of the electric or gas transmission or distribution system and will not furnish any type of utility service, but will instead negotiate with Suppliers on behalf of Participating Consumers.

§4. Eligibility.

- A. All consumers within the Municipality, including residential and non-residential, regardless of size, shall be eligible to participate in the CCA Program.
- B. All consumers that are members of [\[identify eligible service classes listed, by utility, in Appendix C of the PSC CCA Order\]](#) shall be enrolled on an opt-out basis except for consumers i) that are already taking service from an ESCO, ii) that have placed a freeze or block on their account, or iii) for whom inclusion in the CCA Program will interfere with a choice the customer has already made to take service pursuant to a special rate. Those consumers may be enrolled on an opt-in basis.

Drafting Note: The Municipality may elect to apply opt-out treatment to a more limited class of consumers, to only allow certain classes of consumers to opt in, or both.

- C. New Consumers shall be enrolled on an opt-out basis.

Drafting Note: Municipality may determine whether Eligible Consumers who move into a municipality which is participating in a CCA should be enrolled on an opt-in or opt-out basis. If a Municipality chooses to enroll these consumers on an opt-out basis, it must mail them an opt-out letter consistent with the discussion below providing an opt-out period of at least 30 days before the customer is enrolled. Pursuant to the PSC CCA Order, for those low-income customers whose energy bills are paid by a social services organization, the social services organization shall be the one to opt out on their behalf.

§5. Opt-Out Process.

- A. An opt-out letter, printed on municipal letterhead, shall be mailed to Eligible Consumers at least 30 days prior to customer enrollment. The opt-out letter shall include information on the CCA Program and the contract signed with the selected ESCO including specific details on rates, services, contract term, cancellation fee, and methods for opting-out of the CCA Program. The letter shall explain that consumers that do not opt-out will be enrolled in ESCO service under the contract terms and that information on those consumers, including energy usage data and APP status, will be provided to the ESCO.

- B. All consumers shall have the option to opt-out of the CCA Program at any time without penalty.

Drafting note: According to the PSC CCA Order, CCA customers must be permitted to cancel CCA service any time before the end of the third billing cycle of the new contract period without penalty or other charges. Therefore, the Municipality may authorize a fee for cancellation of service after the third billing cycle.

- C. Termination fees shall not be charged to consumers that cancel their CCA service as a result of moving out of the premises served.

§6. Customer Service.

Participating Consumers shall be provided customer service including a toll-free telephone number available during normal business hours (9:00 A.M.- 5:00 P.M. Eastern Time, Monday through Friday) to resolve concerns, answer questions, and transact business with respect to the service received from the Supplier.

§7. Data Protection Requirements.

- A. The Municipality may request Aggregated Data and Customer Specific Data from the Distribution Utility provided, however, that the request for Customer Specific Data is limited to only those Eligible Consumers who did not opt-out once the initial opt-out period has closed.
- B. Customer Specific Data shall be protected in a manner compliant with, collectively, (i) all national, state and local laws, regulations or other government standards relating to the protection of information that identifies or can be used to identify an individual that apply with respect to the Municipality or its representative's processing of confidential utility information; (ii) the utility's internal requirements and procedures relating to the protection of information that identifies or can be used to identify an individual that apply with respect to the Municipality or its representative's processing of confidential utility

information; and (iii) the PSC CCA Order and PSC rules, regulations and guidelines relating to confidential data.

- C. The Municipality must enter into a Data Security Agreement with the Distribution Utility for the purpose of protecting customer data.

§8. CCA Advisory Group.

- A. A CCA Advisory Group is hereby established to develop and review CCA related proposals, act as the Municipality's agent in awarding said proposals, and forward information regarding such awards to the [legislative body] for ratification.
- B. Membership to the CCA Advisory Group shall include the [name relevant municipal staff positions i.e. Commissioner of Finance, Director of Purchasing].

§9. Administration Fee.

The Municipality may collect, or cause to be collected, funds from customer payments to pay for administrative costs associated with running the CCA program.

§10. Reporting.

- A. Annual reports shall be filed with the [Legislative Body] of the Municipality by March 31 of each year and cover the previous calendar year.
- B. Annual reports shall include, at a minimum: number of consumers served; number of consumers cancelling during the year; number of complaints received; commodity prices paid; value-added services provided during the year (e.g. installation of DER or other clean energy services); and administrative costs collected. The first report shall also include the number of consumers who opted-out in response to the initial opt-out letter or letters.
- C. If a CCA supply contract will expire less than one year following the filing of the annual report, the report must identify current plans for soliciting a new contract, negotiating an extension, or ending the CCA program.

§11. Effective Date.

This Local Law shall be effective immediately upon passage.

§12. Severability.

The invalidity or unenforceability of any section, subsection, paragraph, sentence, clause, provision, or phrase of the aforementioned sections, as declared by the valid judgment of any court of competent jurisdiction to be unconstitutional, shall not affect the validity or enforceability of any other section, subsection, paragraph, sentence, clause, provision, or phrase, which shall remain in full force and effect.

Appendix F: Sample Utility CCA Tariff Sheets

All NYS PSC regulated investor-owned electric and gas utilities have adopted CCA tariffs which can be found online.

LIPA CCA and related tariffs:

1. [LIPA's Tariffs as amended June 2020](#), see IX. Long Island Choice Program (Fifth Revised Leaf No. 280 through Third Revised Leaf No. 315) and X. The Authority Green Choice Program (Seventh Revised Leaf No. 316 through First Revised Leaf No. 321) ¹²²
2. [LIPA's Tariff Proposal Concerning Modifications to its tariff for ESCOs](#) serving customers under LIPA's Long Island Choice Program ¹²³
3. LIPA's [Long Island Choice Operating Procedures](#) ¹²⁴

Con Edison, NY Tariff:

1. [CCA Tariff Leaf 130](#) ¹²⁵

¹²² <https://www.lipower.org/wp-content/uploads/2020/06/LIPA-Tariff-June-2020.pdf>

¹²³ <https://www.lipower.org/wp-content/uploads/2020/03/Tariff-Proposal-February-2020-LI-Choice.pdf>

¹²⁴ <https://www.lipower.org/wp-content/uploads/2016/09/Part-5.pdf>

¹²⁵ https://www.coned.com/_external/cerates/documents/elecPSC10/electric-tariff.pdf

**Appendix G: List of NYS CCA Administrators, Communities & Supply Products
(as of July 2019¹²⁶)**

CCA Administrator	Community	County	Supply Product
Good Energy	Village of Wesley Hills	Rockland	Basic
Good Energy	Town of Chazy	Clinton	Basic
Good Energy	Village of Coxsackie	Greene	Basic
Good Energy	Town of Cairo	Greene	Basic
Good Energy	Town of New Baltimore	Greene	Basic
Joule Assets	City of Poughkeepsie	Dutchess	Renewable
Joule Assets	City of Beacon	Dutchess	Renewable
Joule Assets	Town of Geneva	Ontario	Renewable
Joule Assets	Town of Fishkill	Dutchess	Renewable
Joule Assets	Town of Red Hook	Dutchess	Renewable
Joule Assets	Town of Marbletown	Ulster	Renewable
Joule Assets	Village of Cold Spring	Putnam	Renewable
Joule Assets	Town of Philipstown	Putnam	Renewable
MEGA	Town of Dickinson	Broome	Basic
MEGA	Town of Owego	Tioga	Basic

¹²⁶ Courtesy of Brad Tito, Program Manager, Communities & Local Governments, NYSDERDA

MEGA	Village of Newark Valley	Tioga	Basic
MEGA	Village of Spencer	Tioga	Basic
MEGA	Town of Union	Broome	Renewable
MEGA	Town of Canisteo	Steuben	Basic
MEGA	Village of Naples	Ontario	Basic
MEGA	Town of Lebanon	Madison	Renewable
MEGA	Village of Owego	Tioga	Renewable
MEGA	Town of Oneonta	Ostego	Basic
MEGA	Village of Montour Falls	Schuyler	Basic
MEGA	Town of Augusta	Oneida	Basic
MEGA	Town of Horseheads	Chemung	Basic
MEGA	Village of Elmira Heights	Chemung	Renewable
MEGA	Village of Delhi	Delaware	Basic
MEGA	Village of Oriskany Falls	Oneida	Basic
MEGA	City of Elmira	Chemung	Basic
MEGA	Village of Horseheads	Chemung	Renewable
MEGA	Village of Burdett	Schuyler	Basic
MEGA	City of Hornell	Steuben	Basic

MEGA	Town of Nelson	Madison	Renewable
Sustainable Westchester	Town of New Castle	Westchester	Renewable
Sustainable Westchester	Village of Pleasantville	Westchester	Renewable
Sustainable Westchester	Town of Mamaroneck	Westchester	Renewable
Sustainable Westchester	Village of Irvington	Westchester	Renewable
Sustainable Westchester	Town of Ossining	Westchester	Renewable
Sustainable Westchester	Village of Mount Kisco	Westchester	Basic
Sustainable Westchester	Village of Larchmont	Westchester	Renewable
Sustainable Westchester	Village of Hastings-on-Hudson	Westchester	Renewable
Sustainable Westchester	Town of Greenburgh	Westchester	Basic
Sustainable Westchester	Village of Pelham	Westchester	Renewable
Sustainable Westchester	Village of Tarrytown	Westchester	Renewable
Sustainable Westchester	Village of Mamaroneck	Westchester	Renewable
Sustainable Westchester	City of White Plains	Westchester	Renewable
Sustainable Westchester	City of New Rochelle	Westchester	Renewable
Sustainable Westchester	Village of Ossining	Westchester	Renewable
Sustainable Westchester	Village of Croton-on-Hudson	Westchester	Renewable
Sustainable Westchester	Town of Bedford	Westchester	Renewable

Sustainable Westchester	Town of North Salem	Westchester	Renewable
Sustainable Westchester	Town of Lewisboro	Westchester	Renewable
Sustainable Westchester	Town of Somers	Westchester	Basic
Sustainable Westchester	City of Peekskill	Westchester	Renewable
Sustainable Westchester	Village of Sleepy Hollow	Westchester	Renewable
Sustainable Westchester	Town of Pound Ridge	Westchester	Renewable
Sustainable Westchester	Village of Dobbs Ferry	Westchester	Renewable
Sustainable Westchester	Village of Ardsley	Westchester	Renewable
Sustainable Westchester	City of Rye	Westchester	Renewable
Sustainable Westchester	Village of Rye Brook	Westchester	Renewable

Appendix H: CCA in New York - A Snapshot as of July 2, 2019

Community Choice Aggregation (CCA) in New York - A Snapshot as of July 1, 2019

CCA Administrator	Estimated Total Load (MWh/yr)*	Estimated Renewable Load (MWh/yr)	Estimated Basic Load (MWh/yr)	Estimated Number of Electricity Accounts	Number of Municipalities**	Number of 100% Renewable Municipalities	Basic Supply Price Range (Price/kWh)	Renewable Supply Price Range (Price/kWh)
Sustainable Westchester	805,891	541,146	264,745	90,938	27	24	\$0.0661 - \$0.07710	\$0.06930 - \$0.07960
MEGA	304,139	98,224	267,246	36,893	21	6	\$0.05092	\$0.05420 - \$0.05692
Joule	213,791	213,791	0	32,157	8	8	\$0.05005 - \$0.0608	\$0.05226 - \$0.0638
Good Energy	58,381	0	58,381	7,134	5	0	\$0.05942 - \$0.06879	\$0.06447 - \$0.07384
ALL CCAs	1,382,202	853,161	590,372	167,122	61	38	\$0.05005 - \$0.07710	\$0.05226 - \$0.07960

* Load and number of accounts figures for Sustainable Westchester (SW) were reported by SW for 2018. All other load and number of account figures are estimated using Utility Energy Registry (UER) community energy use data pertaining to the listed communities.

** There are 80 municipalities that have passed a local law authorizing CCA and for which a certification of local authorization has been submitted to NYS Department of Public Service under a specific CCA Administrator's approved CCA Implementation Plan. While 80 municipalities are fully authorized for CCA, 61 are receiving CCA supply at this time. Others are either on hold pending better pricing, or they have decided not to move forward with CCA at this time.

Table courtesy of Brad Tito, Program Manager, Communities & Local Governments, NYSERDA

Appendix I: Model Data Security Agreement

A Utility [Data Security Agreement](#) between a Utility and an Aggregator, as approved in NY DPS Case [16-M-0015](#), Petition of Municipal Electric and Gas Alliance, Inc. to Create a Community Choice Aggregation (CCA) Pilot Program¹²⁷, can be found at <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7B1E510E15-F43F-45FE-9430-06D174A29801%7D>

¹²⁷ <http://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=16-M-0015>

Appendix J: DPS Correspondence with Suffolk County CCA Task Force

1. Letter to DPS from the Suffolk County Legislature (April, 2019)

Bridget Fleming
Second Legislative District

Chair
Ways & Means Committee

Vice-Chair
Health Committee

OFFICE OF THE COUNTY LEGISLATURE
COUNTY OF SUFFOLK



Committee Member
Public Safety
Environment, Planning
and Agriculture
Public Works, Transportation
and Energy

April 26, 2019

Guy Mazza, Director, DPS-LI guy.mazza@dps.ny.gov
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VIA ELECTRONIC MAIL

Ladies and Gentlemen,

Thank you for taking the time to meet with me and members of the East Hampton community as we continue to explore the possibility of bringing Community Choice Aggregation to Suffolk County. As we discussed, we feel the Community Choice Aggregation model holds great promise for a more diverse and environmentally-sustainable energy supply, while potentially containing costs for Long Island residents.

The meeting clarified several important points. In particular, we were pleased to learn that LIPA holds no position on the formation of CCA programs and will permit Community Choice Aggregation in its service territory.

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OFFICE OF SUFFOLK COUNTY CLERK
SUFFOLK COUNTY, NEW YORK

It was further helpful to learn that, under the LIPA Reform Act and the Public Authorities Law, implementation can be achieved through a process whereby a petition may be filed with the Department of Public Service Long Island, who would then make a recommendation that would be accepted by the LIPA Board, consistent with the process available to municipalities forming CCAs in areas served by investor-owned utilities elsewhere in New York State. We appreciate further that towns such as East Hampton can look to LIPA/PSEG for opportunities and assistance in defining and deciding upon their local energy supply objectives.

We are members of a coastal community, particularly vulnerable to the adverse effects of climate change, and so are keenly aware of the need to reduce carbon emissions. At the same time, communities throughout Suffolk County seek opportunities to increase efficiencies and lower energy costs. Accordingly, we look forward to working together to explore the CCA model, and the potential outcome of advancing renewable energy opportunities, mindful of the goal of lowering energy costs. We truly appreciate that DPS LI and LIPA/PSEG are committed to support these efforts.

Sincerely,


Bridget Fleming

CC: Hon. Fred Thiele, ThieleF@nyassembly.gov
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2. Letter from the DPS to the Suffolk County Task Force (September 2020)



John B. Rhodes
Chair and
Chief Executive Officer

Thomas Congdon
Deputy Chair and
Executive Deputy

Robert Rosenthal
General Counsel

Michelle L. Phillips
Secretary

September 3, 2020

VIA E-MAIL
Bridget Fleming
County Legislator, 2nd District
75 Washington Street,
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Sag Harbor, New York 11963
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RE: Suffolk County Community Choice Aggregation Task Force Final Report

Dear Legislator Fleming:

On July 27, 2020 the Suffolk County Community Choice Aggregation (CCA) Task Force (CCA Task Force or Task Force) contacted the Department of Public Service (DPS), inviting input in development of its Final Report (CCA Task Force Report or Report). In this letter DPS provides input on certain aspects of the Report including the current status of our ongoing work with the Long Island Power Authority (LIPA) and its Service Provider PSEG Long Island (PSEG LI) to establish the process for development of CCA on Long Island. We will also discuss the participatory proceeding on Long Island that DPS expects to re-initiate in the near future to enhance the development of Energy Service Companies on Long Island.

The process to be followed by a CCA Administrator for approval of CCA development on Long Island is one of the primary areas of interest addressed in the Report. DPS has been working to develop the concrete procedural steps to be taken by a CCA Administrator, PSEG LI and LIPA, with respect to the submission to DPS and its review of a Municipality's CCA Administrator filings and we expect this process to be finalized in the near term. We expect this process to reflect clear procedural steps and associated timelines for DPS review. The Department's recommendations for development of this process on Long Island will reflect, as appropriate, Public Service Commission (PSC or the Commission) policy and any future action being taken by DPS Staff, to develop additional CCA policy or guidance regarding the development of CCA programs throughout New York State.

The CCA Task Force also sought guidance regarding the status of Matter 15-02754.¹ The Task Force recognized a Notice Further Extending Comment Period was issued on May 18, 2016 (May 18 Notice).² As stated in the May 18 Notice, the comment period was further extended

until June 1, 2016 or thirty days following the resolution of the matters raised in the Order Resetting Retail Energy Markets and Establishing Further Process (Order), issued by the Public Service Commission on February 23, 2016 in Cases 15-M-0127, 12-M-0476, and 98-M-1343.³

As also stated in the May 18 Notice:

[T]he matters raised in the Order have not yet been resolved, to provide adequate opportunity for parties wishing to address the topics included in the Order as part of their comments in the Long Island participatory process, the comment period established in the Long Island participatory process is further extended until 30 days after the resolution of matters raised in the Order.⁴

Since 2016 there has been significant process associated with Cases 15-M-0127, 12-M-0476, and 98-M-1343. Specifically, on December 12, 2019, the PSC issued an Order Adopting Changes to the Retail Access Energy Market and Establishing Further Process (December 12 Order).⁵ The Commission's December 12 Order was subject to various petitions by parties seeking rehearing. Consistent with process outlined in the May 18 Notice, the comment period in Matter 15-02754, would begin again within 30 days of resolution of these cases and the petitions for rehearing. We anticipate that the Commission will address these petitions in the near future. Pending resolution of these issues, the Department intends to re-initiate the participatory proceeding.

The Department believes that the participatory proceeding is an appropriate forum for stakeholders to address many of the issues raised by the CCA Task Force in its Report. The Department encourages the CCA Task Force to submit its report as part of and engage in the participatory proceeding. In the participatory proceeding, the Department intends to seek comments regarding the areas indicated in the December 31, 2015 Notice Requesting Comments and Establishing Participatory Process as they may have evolved since that time and additional areas germane to the development of

¹ Matter 15-02754, In the Matter of Examining the Potential Benefits of Retail Competition for Long Island Electric Customers.

² Matter 15-02754, supra., Notice Further Extending Comment Period (issued May 18, 2016).

³ Id. at p. 1.

⁴ Id. at pp. 1-2.

⁵ Cases 15-M-0127 et., al., In the Matter of Eligibility Criteria for Energy Service Companies, Order Adopting Changes to the Retail Access Energy Market and Establishing Further Process (issued December 12, 2019) (ESCO Proceeding).

CCA on Long Island.⁶ It is expected that the result of this proceeding will address and inform many of the issues raised by the CCA Task force in its report.

The Report also addressed the Task Force's review of LIPA and PSEG LI's interactions with the New York State Energy Research and Development Agency (NYSERDA), and indicated a need for further information from LIPA and PSEG LI regarding their data submissions to the Utility Energy Registry (UER). DPS is continuing to work with LIPA and PSEG LI to facilitate the process of updating the UER, as appropriate on Long Island, in alignment with Commission policy.

As adopted by the LIPA Board in 2018, the Department recommended:

[T]hat PSEG LI and LIPA engage NYSERDA, within the first quarter of 2019, to initiate a process for uploading aggregated monthly data by municipality to NYSERDA's UER, consistent with the PSC's April 20, 2018 Order.^{7, 8}

In addition to the items discussed above, Staff identified a small number of technical or numerical corrections to the report which have been provided under separate cover.

The Department appreciates the significant work by the CCA Task Force and the input provided by its members and participants. DPS looks forward to continuing to work with stakeholders, PSEG LI and LIPA to achieve the goals of CCA on Long Island.

Respectfully Submitted,



Guy R. Mazza, Director
DPS Long Island

CC: Nicholas Forst, Esq., DPS-LI
Kelly Strait, DPS OMI
Theodore Kelly, Esq., DPS OGC

⁶ Matter 15-02754, supra, Notice Requesting Comments and Establishing Participatory Process (issued December 31, 2015) p. 2.

⁷ Case 17-M-0315, In the Matter of the Utility Energy Registry, Order Adopting Utility Energy Registry (issued April 20, 2018).

⁸ Matter 14-01299, In the Matter of PSEG-LI Utility 2.0 Long Range Plan, Recommendations Regarding PSEG Long Island's Annual Update to the Utility 2.0 Long Range Plan (issued November 1, 2018) p. 6.